

**CITY OF PATERSON**  
NEW JERSEY

**REPORT OF AUDIT**

FOR THE YEARS ENDED  
JUNE 30, 2015 AND 2014



**DONOHUE, GIRONDA,  
DORIA & TOMKINS, LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

**CITY OF PATERSON**  
**AUDIT OF FINANCIAL STATEMENTS**  
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**CITY OF PATERSON**

**REPORT OF AUDIT  
FY 2015**

**FINANCIAL SECTION**

# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the City Council  
City of Paterson, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements – regulatory basis of the City of Paterson, New Jersey (the “City”), which comprise the comparative balance sheet – regulatory basis, of each fund and general fixed assets as of June 30, 2015 and 2014, and the related comparative statements of operations and changes in fund balance – regulatory basis, of the Current Fund, related statements of comparative changes in fund balance – regulatory basis, of the General Capital and Trust Funds, the statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

### ***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### ***Auditor’s Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note A, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of June 30, 2015 and 2014, or the changes in its financial position for the years then ended.

***Basis for Qualified Opinion***

As described in Note F, general fixed assets were not updated by the City in accordance with the requirements of the Division. General fixed asset balances remain on the books in the same amount as at June 30, 2013. The amount by which this departure would affect the City is not reasonably determinable, however it is presumed to be material.

***Qualified Opinion on Regulatory Basis Accounting***

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund of the City as of June 30, 2015 and 2014, the Current Fund's respective operations and changes in fund balance –

regulatory basis, revenues – regulatory basis and appropriations – regulatory basis, and the Trust and General Capital Funds’ changes in fund balance – regulatory basis, for the years then ended, in accordance with the financial reporting provisions of the Division as described in Note A.

### ***Emphasis of Matter Regarding Dependence on State Aid***

As discussed in Note M, the City is a recipient of State Aid, the amount of which is material to funding the operations of the City. The aid is dependent on the ability of the State of New Jersey to continue to appropriate such funds. Significant reductions of State Aid, coupled with legislation capping the maximum allowable increase in tax levy, would have a material impact on the City’s operations. This aid is anticipated in the City’s fiscal 2016 and 2015 budgets.

### ***Emphasis of Matter Regarding Dissolution of the Paterson Municipal Utilities Authority***

As discussed in Notes N and O, the City dissolved the Paterson Municipal Utilities Authority (the “PMUA”) and assumed its operations, contracts, agreements and liabilities. As of the date of this report, no material liabilities have been incurred by the City as a result of this dissolution, however, the final audit of the PMUA has not yet been issued and the possibility of liabilities resulting from this transaction may potentially exist.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The statistical section and schedule of expenditures of other financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary data section, general comments and comments and recommendations are presented for purposes of additional analysis as required by the Division. The schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*,



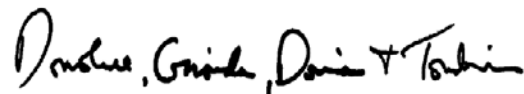
respectively. The supplementary data section, general comments, comments and recommendations, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are also not required parts of the basic financial statements.

The supplementary data section, general comments, comments and recommendations, schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data section, general comments, comments and recommendations, schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section and schedule of expenditures of other financial assistance have not been subjected to the auditing procedures as applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



DONOHUE, GIRONDA,  
DORIA & TOMKINS, LLC  
*Certified Public Accountants*



FREDERICK J. TOMKINS

Registered Municipal Accountant #327

Bayonne, New Jersey  
June 8, 2016

CITY OF PATERSON

REPORT OF AUDIT  
FY 2015

**FINANCIAL SECTION:  
CURRENT FUND FINANCIAL STATEMENTS  
[with FEDERAL AND STATE GRANTS FUND]**

**CITY OF PATERSON  
CURRENT FUND  
AS OF JUNE 30, 2015 AND 2014**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
<u>Assets</u>			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 13,739,133	\$ 16,967,371
Change Fund	A-6	685	685
		<u>13,739,818</u>	<u>16,968,056</u>
Intergovernmental Receivables:			
Due from State of NJ -			
Sr. Citizens' and Veterans' Deductions	A-8	<u>129,250</u>	<u>152,875</u>
Receivables and Other Assets with Full Reserves:			
Property Taxes Receivable	A-7	234,852	123,987
Tax Title Liens Receivable	A-9	16,549,116	12,285,926
Sewer Charges Receivable	A-10	625,536	595,458
Sewer Liens Receivable	A-11	1,036,557	1,049,087
Demolition Liens Receivable	A-12	1,309,953	962,820
Property Acquired for Taxes at Assessed Valuation	A-13	5,107,360	5,107,360
Sales Contracts Receivable	A-14	25,000	25,000
Interfunds Receivable	A-17	1,135,976	-
	sheet 2	<u>26,024,350</u>	<u>20,149,638</u>
Deferred Charges			
Deficit in Operations		543,897	-
Emergency Appropriations		4,395,000	800,000
Special Emergency Appropriations		5,884,000	8,462,000
	A-16	<u>10,822,897</u>	<u>9,262,000</u>
Total Current Fund Assets		<u>50,716,315</u>	<u>46,532,569</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	-	1,139,580
Federal and State Grants Receivable	A-35	<u>17,404,843</u>	<u>18,170,916</u>
Total Federal and State Grant Fund Assets		<u>17,404,843</u>	<u>19,310,496</u>
Total Assets		<u>\$ 68,121,158</u>	<u>\$ 65,843,065</u>

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
AS OF JUNE 30, 2015 AND 2014**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
<u>Liabilities and Reserves</u>			
Current Fund:			
Appropriation Reserves	A-3, A-18	\$ 5,133,326	\$ 3,019,682
Interfunds Payable	A-17	-	122,425
Requisitions and Accounts Payable	A-19	3,455,696	5,755,160
Prepaid Taxes	A-20	91,898	130,774
Tax Overpayments	A-21	3,383,590	2,582,072
Property Tax Suspension	A-22	116,592	36,372
Prepaid Sewers	A-23	871	2,672
Sewer Overpayments	A-24	48,199	48,199
Special Emergency Notes Payable	A-27	10,279,000	8,462,000
Reserve for:			
Accrued Sick and Vacation Time	A-28	607,515	613,163
Deposits on Sale of City Property	A-29	6,250	6,250
State Library Aid	A-30	88,586	30,850
Library Fines and Donations	A-31	80,757	2,977
ABC License Surcharge	A-32	235,000	235,000
State Tax Appeals	A-33	-	497,164
Revaluation	A-34	301,133	2,074,619
		<u>23,828,413</u>	<u>23,619,379</u>
Reserve for Receivables and Other Assets	sheet 1	26,024,350	20,149,638
Fund Balance	A-1	<u>863,552</u>	<u>2,763,552</u>
Total Current Fund Liabilities, Reserves and Fund Balance		<u>50,716,315</u>	<u>46,532,569</u>
Federal and State Grant Fund:			
Interfunds Payable	A-36	1,124,299	-
Requisitions and Accounts Payable	A-37	1,626,812	2,073,448
Reserve for:			
Federal and State Grants - Appropriated	A-37	14,589,517	17,172,122
Federal and State Grants - Unappropriated	A-38	-	711
Grant Overpayments	A-39	<u>64,215</u>	<u>64,215</u>
Total Federal and State Grant Fund Liabilities and Reserves		<u>17,404,843</u>	<u>19,310,496</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 68,121,158</u>	<u>\$ 65,843,065</u>

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY BASIS**

		2015	2014
	<u>Ref.</u>		
<u>Revenue and Other Income Realized:</u>			
Fund Balance Utilized	A-2a	\$ 1,900,000	\$ -
Miscellaneous Revenue Anticipated	A-2a	104,099,813	100,222,011
Receipts from Delinquent Taxes	A-2a	1,989,573	2,075,152
Receipts from Current Taxes (net of State Appeals Reserved)	A-2a	222,314,053	223,205,397
Non-Budget Revenues	A-2b	2,196,762	1,127,591
Other Credits to Income:			
Unexpended Appropriation Reserves	A-18	1,161,703	584,553
Cancellation of Accounts Payable	A-19	228,170	-
Interfunds Credited to Operations	A-17	9,162	1,728
Sewer Overpayments Cancelled		-	51,987
Credit Write-Offs:			
Sewer Charges		-	437
Current Taxes		-	229
		<u>333,899,236</u>	<u>327,269,085</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Appropriations within "CAPS"			
Operations			
Salaries and Wages		97,462,571	95,653,691
Other Expenses		82,481,124	80,246,199
Deferred Charges and Statutory Expenditures		24,202,135	22,896,709
Appropriations Excluded from "CAPS"			
Operations			
Salaries and Wages		1,269,521	1,269,521
Other Expenses		26,947,934	26,026,733
Capital Improvements		340,000	340,000
Municipal Debt Service		12,334,877	8,578,557
Deferred Charges		2,225,891	2,289,918
Type 1 School District Debt		-	616,232
	A-3a	<u>247,264,053</u>	<u>237,917,560</u>
Local District School Tax	A-25	39,461,008	39,460,570
County Taxes	A-26	43,075,037	47,321,704
Prior Year Taxes Refunded due to State Tax Appeals	A-21	7,643,705	1,960,062
Interfund Advances Originating in Current Year	A-17	1,135,976	-
Other Reserves	A-22	174,645	170,341
Amount Due County for Added and Omitted Taxes	A-26	41,847	158,548
Other Tax Overpayment Refunds	A-21	39,947	322,535

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
<u>Expenditures - continued</u>			
Other Charges	A-3a	\$ 1,915	\$ -
Refund of Prior Year's Revenue		-	327,529
Sr. Citizens & Veterans Deductions Disallowed by State		-	51,533
		<u>338,838,133</u>	<u>327,690,382</u>
Deficit in Revenue		4,938,897	421,297
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Special Emergency Appropriations			
Insurance	A-16	3,955,000	-
Debt Service	A-16	440,000	-
Snow Removal		-	800,000
Accrued Sick and Vacation Time		-	1,650,000
		<u>                    </u>	<u>                    </u>
Statutory Excess to Fund Balance			2,028,703
Deficit in Operations to be Raised in Budget of Succeeding Year		<u>\$ 543,897</u>	
Fund Balance, July 1	A	<u>2,763,552</u>	<u>734,849</u>
		2,763,552	2,763,552
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,900,000</u>	<u>-</u>
Fund Balance, June 30	A	<u>\$ 863,552</u>	<u>\$ 2,763,552</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
<b><u>SURPLUS:</u></b>				
Surplus Anticipated	\$ 1,900,000	\$ -	\$ 1,900,000	\$ -
<b><u>MISCELLANEOUS REVENUES:</u></b>				
<b>LOCAL REVENUES</b>				
Licenses:				
Alcoholic Beverages	205,800	-	213,988	8,188
Other Licenses	145,000	-	136,984	(8,016)
Fines and Costs:				
Municipal Court	4,813,900	-	4,141,271	(672,629)
Interest and Costs on Taxes	2,009,000	-	1,965,475	(43,525)
Interest on Investments and Deposits	24,900	-	12,835	(12,065)
Interest on Delinquent Sewer Charges	234,200	-	330,277	96,077
Department of Public Works	113,500	-	128,490	14,990
Division of Health	753,400	-	729,930	(23,470)
City-Wide Recycling Revenues	362,300	-	337,919	(24,381)
Board of Adjustment	112,800	-	219,100	106,300
Sale of Copies of Public Records	30,000	-	32,396	2,396
Ambulance Fees	3,133,800	-	3,124,843	(8,957)
Municipal Towing Contract Fees	105,100	-	138,068	32,968
Municipal Sewer Use Charges				
Current Year	8,759,711	-	9,128,344	368,633
Prior Year	758,800	-	968,064	209,264
F.D. Combustibles Inspection Revenues	482,300	-	827,436	345,136
Livery and Taxi License Fees	128,000	-	117,375	(10,625)
	<u>22,172,511</u>	<u>-</u>	<u>22,552,795</u>	<u>380,284</u>
<b>STATE AID WITHOUT OFFSETTING APPROPRIATIONS</b>				
Consolidated Municipal Property Tax Relief	11,652,739	-	11,652,919	180
Energy Receipts Tax	21,070,061	-	21,070,061	-
Supplemental Energy Receipts Tax	262,651	-	262,651	-
Open Space PILOT Aid (Garden State Trust)	6,088	-	6,088	-
Building Aid Allowance for Schools	377,176	-	-	(377,176)
Watershed Moratorium Offset Aid	329	-	329	-
Transitional Aid	25,000,000	-	25,000,000	-
	<u>58,369,044</u>	<u>-</u>	<u>57,992,048</u>	<u>(376,996)</u>
<b>DEDICATED UNIFORM CONSTRUCTION CODE FEES OFFSET WITH APPROPRIATIONS</b>				
Uniform Construction Code Fees				
Fees and Permits:				
Construction Code Official	1,143,200	-	1,424,212	281,012
Other	575,600	-	655,794	80,194
	<u>1,718,800</u>	<u>-</u>	<u>2,080,006</u>	<u>361,206</u>

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
<u>MISCELLANEOUS REVENUES: (continued)</u>				
SHARED SERVICE AGREEMENTS				
Life Hazard Use Fees	\$ 263,500	\$ -	\$ 263,500	\$ -
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS				
US Department of Health and Human Services				
HIV Ryan White Program 3/1/14-2/28/15	3,097,922	3,295,222	6,393,144	-
2014 SPNS Grant US 9/1/14-8/31/17	500,000	-	500,000	-
NACCHO MRC Grant	3,500	-	3,500	-
US Federal Emergency Management Agency				
2012 Assistance to Firefighters Grant	639,576	-	639,576	-
Fire Arson Investigation Equipment	54,878	-	54,878	-
NJ Department of Health and Senior Services				
STD Control Program	88,535	-	88,535	-
Tuberculosis Control Program	208,700	-	208,700	-
Public Health Preparedness / Bioterror Response	226,525	-	226,525	-
Childhood Lead Poisoning Control Program	230,846	-	230,846	-
HIV Counseling, Testing and Referral	243,400	243,400	486,800	-
Federal TB Control Grant	97,254	-	97,254	-
Shaping NJ Health Community Grant	-	12,000	12,000	-
NJ Department of Environmental Protection:				
CLG Historic District Grant	23,835	-	23,835	-
NJ Department of Law & Public Safety:				
Safe and Secure Communities Program	199,563	-	199,563	-
DWI Surcharge	11,448	10,897	22,345	-
Body Armor Grant	34,409	-	34,409	-
Pedestrian Safety Grant	16,000	-	16,000	-
NJ Department of Commerce and Economic Development (UEZ):				
Small Business Development Center	50,000	-	50,000	-
Administration Budget	242,031	-	242,031	-
NJ Department of Human Services:				
School Based Youth Services Program	310,190	-	310,190	-
Teen Parenting Program	149,897	-	149,897	-
NJ Department of Environmental Protection:				
NJDEP - Clean Communities Program	-	193,566	193,566	-
NJDEP - Recycling Tonnage Grant	-	221,874	221,874	-
County of Passaic:				
Municipal Alliance Program	15,410	46,231	61,641	-
Senior Citizen Disabled Transportation	202,000	-	202,000	-
Evening Reporting Program	-	103,855	103,855	-
Total Lifestyle Support Prog.	-	86,980	86,980	-

See Accompanying Notes to Financial Statements



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
<u>MISCELLANEOUS REVENUES: (continued)</u>				
PUBLIC AND PRIVATE REVENUES OFFSET				
WITH APPROPRIATIONS - continued				
Other:				
City of Passaic Byrne Memorial				
Equipment Grant	\$ 147,423	\$ -	\$ 147,423	\$ -
Community Foundation of NJ				
Give and Receive	20,000	-	20,000	-
Pinchak Pharmacy Museum Exhibit Grant	711	-	711	-
Senior Farmers Market	500	-	500	-
Dan Oliff Memorial Veterans Exhibition	10,000	-	10,000	-
Mineral Display Grant	5,000	-	5,000	-
	<u>6,829,553</u>	<u>4,214,025</u>	<u>11,043,578</u>	<u>-</u>
OTHER SPECIAL ITEMS				
Payments in Lieu of Taxes				
Aspen Hamilton	83,038	-	94,509	11,471
Colt Arms	138,111	-	186,509	48,398
Federation Apartments	171,846	-	176,278	4,432
Governor Paterson Towers	433,714	-	490,160	56,446
504 Madison Avenue	141,870	-	140,743	(1,127)
Incca for Housing -				
Carroll Street	151,998	-	160,297	8,299
North Triangle	156,406	-	156,902	496
Cooke Building Associates	14,275	-	8,841	(5,434)
Jackson Slater	199,384	-	198,214	(1,170)
Riese Madison Park	72,270	-	-	(72,270)
Essex - Phoenix Mill	238,221	-	215,949	(22,272)
Brooke Sloate	135,754	-	170,275	34,521
Rosa Park - 400 Broadway	15,954	-	23,682	7,728
Garret Heights	465,094	-	61,196	(403,898)
Christopher Columbus Development	112,500	-	125,431	12,931
446-460 E. 19th Street	18,030	-	18,950	920
Belmont/McBride Apartments	12,632	-	27,288	14,656
Sheltering Arms	17,624	-	12,256	(5,368)
Hope 98 -				
North Main Scattered Sites	19,262	-	26,694	7,432
Beech Street	25,744	-	31,320	5,576
Van Houten Street	13,880	-	16,660	2,780
Rising Dove Senior Housing	27,896	-	31,388	3,492
Paterson Housing Authority	153,441	-	137,484	(15,957)
200 Godwin Avenue	23,122	-	52,032	28,910
Congdon Mill	93,312	-	69,153	(24,159)
Belmont Towers 2007 Audit Adjustment	15,276	-	14,240	(1,036)
Heritage - Alexander Hamilton	27,199	-	43,642	16,443

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
<u>MISCELLANEOUS REVENUES: (continued)</u>				
OTHER SPECIAL ITEMS - continued				
Payments in Lieu of Taxes - continued				
Brooke Sloate Audit Adjustment	\$ 9,163	\$ -	\$ 9,163	\$ -
Aspen Hamilton Audit Adjustment	3,008	-	3,008	-
Jackson Slater Audit Adjustment	3,529	-	-	(3,529)
Congdon Mill Audit Adjustment	1,157	-	-	(1,157)
INCCA Carroll St. Audit Adjustment	43,773	-	-	(43,773)
Cable Communication Third Party Rent	340,000	-	255,000	(85,000)
US Cable of Paterson Franchise Fees	336,727	-	336,727	-
Sewer Rent - Third Party	65,500	-	-	(65,500)
City of Paterson Parking Authority				
Cooperative Agreement 7/1 - 12/31	204,000	-	204,000	-
Cooperative Agreement 1/1 - 6/30	204,000	-	170,000	(34,000)
PVWC Fire Hydrant Testing Reimbursement	196,100	-	294,150	98,050
Trust Fund Surplus	11,000	-	11,000	-
PVSC Rebate Incentive Program	48,700	-	34,551	(14,149)
Private Host Benefit Fees	176,200	-	154,531	(21,669)
Private Host Benefit Fees Prior Year	20,800	-	16,537	(4,263)
Recycling Tire Fees	7,700	-	7,570	(130)
Additional Ambulance Fees	215,400	-	-	(215,400)
Verizon Franchise Fees	125,000	-	257,452	132,452
Passaic County Community College Rent	10,000	-	10,000	-
Housing Authority Garbage Reimbursement	95,000	-	95,000	-
Libby's Rent	18,081	-	15,498	(2,583)
FEMA Reimbursements - 2011 Storms	464,435	-	394,755	(69,680)
Classic Towing Prior Year	6,900	-	14,339	7,439
Motor Vehicle Agency Security Reimbursement				
Prior Year	47,900	-	47,998	98
Current Year	239,900	-	263,987	24,087
Northwest Hydro Holding	57,750	-	49,500	(8,250)
Additional Fire Inspection Fees	44,200	-	44,200	-
Health Contracts - Prior Year	21,184	-	21,184	-
Health Contracts - Current Year	20,500	-	64,223	43,723
Health Premiums	3,816,483	-	3,896,420	79,937
Additional Sewer Fees	807,000	-	807,000	-
	<u>10,638,943</u>	<u>-</u>	<u>10,167,886</u>	<u>(471,057)</u>
Total Miscellaneous Revenues	99,992,351	4,214,025	104,099,813	(106,563)
<u>RECEIPTS FROM DELINQUENT TAXES:</u>	<u>2,513,100</u>	<u>-</u>	<u>1,989,573</u>	<u>(523,527)</u>
Subtotal - General Revenues	104,405,451	4,214,025	107,989,386	(630,090)

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
<u>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:</u>				
Local Tax Including Reserve				
for Uncollected Taxes	\$ 145,935,664	\$ -	\$ 151,019,564	\$ 5,083,900
Minimum Library Tax	2,272,630	-	2,272,630	-
Total Amount to be Raised by Taxes	148,208,294	-	153,292,194	5,083,900
Total Budget Revenues	252,613,745	4,214,025	261,281,580	4,453,810
Non-Budget Revenues	-	-	2,196,762	2,196,762
Total General Revenues	<u>\$ 252,613,745</u>	<u>\$ 4,214,025</u>	<u>\$ 263,478,342</u>	<u>\$ 6,650,572</u>
<u>Ref.</u>	A-3	A-3		
		<u>Ref.</u>		
Budgeted		A-2a	\$ 261,281,580	
Non-budgeted		A-2b	2,196,762	
			<u>\$ 263,478,342</u>	

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS  
ANALYSIS OF BUDGET REVENUES**

	<u>Ref.</u>		
Allocation of Current Tax Collections:			
Revenue from Collections			
Gross Cash Receipts	A-5	\$ 229,439,143	
Refunded	A-4	(8,296,440)	
Tax Overpayments	A-21	(1,464,142)	
Refunds Funded by Ordinance	A-17	1,722,929	
Refunds Funded by Reserve for Tax Appeals	A-33	497,164	
Current Year Taxes Collected in Current Year	A-7	221,898,654	
Current Year Taxes Collected in Prior Year	A-7	130,774	
State Share of Sr. Citizens and Veterans Deductions	A-7	284,625	
Current Taxes Realized in Cash	A-1		\$ 222,314,053
Add: Appropriation for "Reserve for Uncollected Taxes"	A-3a		13,556,033
			<u>235,870,086</u>
Allocated to:			
School Taxes	A-25	39,461,008	
County Taxes	A-26	43,116,884	
			<u>82,577,892</u>
Total Amount for Support of			
Municipal Budget Appropriations	A-2		<u><u>\$ 153,292,194</u></u>
Receipts from Delinquent Taxes:			
Delinquent Taxes Collected	A-7, A-5		\$ 416,600
Senior Citizens and Veterans Deductions	A-7		(9,750)
Demolition Liens Collected	A-12		144,400
Tax Title Liens Collected	A-9		1,438,323
Total Receipts from Delinquent Taxes	A-1		<u><u>\$ 1,989,573</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS  
ANALYSIS OF BUDGET REVENUES**

	<u>Ref.</u>		
Miscellaneous Revenues Anticipated:			
Current Sewer Charges:			
Current Year Receipts	A-10	\$ 9,125,672	
Prepaid Applied	A-10	2,672	
	A-2		\$ 9,128,344
Prior Year's Sewer Charges:			
Current Year Receipts	A-10	570,592	
Sewer Lien Receipts	A-11	397,472	
	A-2		968,064
Additional Sewer Fees:			
Current Year Receipts	A-2, A-10		807,000
Accrual per Revenue Accounts Receivable	A-15		\$ 81,889,327
Life Hazard Use Fees - Grants	A-17		263,500
State and Federal Grants	A-17		11,043,578
Total Miscellaneous Revenues Anticipated	A-1		<u>\$ 104,099,813</u>
Surplus Anticipated	A-1		<u>\$ 1,900,000</u>
Total Realized Budget Revenues	A-2		<u>\$ 261,281,580</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS  
ANALYSIS OF NON-BUDGET REVENUES**

	<u>Ref.</u>	
Increased by:		
Paterson Municipal Utilities Authority	\$ 1,033,303	
Paterson Parking Authority	223,205	
Board and Secure	221,100	
Off-Duty Reimbursement Use of Cars	146,801	
Redemption Fees	102,786	
Stale Dated Checks	69,764	
School Board Election	63,292	
Mercantile License	48,139	
DMV Inspection Fees	42,430	
Water Supply Training Reimbursement	37,500	
Tax Sale Premiums Forfeited	36,600	
Verizon Consultant Refund	20,672	
DPW Clean-up Lien	15,500	
Inmate Phones	13,904	
Cablevision	12,000	
Bid Specifications	11,025	
Health Department Contracting Towns	10,382	
Garnishees Service Charges	7,783	
Various Miscellaneous	8,445	
Paterson Parking Authority Fuel Reimbursement	7,586	
Special Class I Police Application	7,525	
DPW Auction	6,400	
Sr. Citizens and Veterans Deductions Administrative Payment	5,970	
Payment History	5,930	
Filming Permits	5,300	
Forfeiture Bail	5,020	
City Clerk - Loud Speaker Fee	4,910	
Bad Checks Fees	4,810	
Rent Court Ordinance	4,800	
Child Care Service Charges	3,517	
Community Provider Adjustment	3,478	
Tax Search Fees	3,465	
Police Confiscated Funds	3,420	
	A-1, A-2	
	<hr/>	
		<u>\$ 2,196,762</u>

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF REVENUES - REGULATORY BASIS  
ANALYSIS OF NON-BUDGET REVENUES**

	<u>Ref.</u>		
Allocation:			
2% Administrative Fee	A-8	\$ 5,970	
Cash Receipts	A-4	<u>2,205,049</u>	
			\$ 2,211,019
Less:			
Other Reserves	A-22	\$ 3,446	
Cash Disbursements	A-4	<u>10,811</u>	
			<u>14,257</u>
			<u><u>\$ 2,196,762</u></u>

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS"						
<u>GENERAL GOVERNMENT</u>						
Office of the Mayor						
Salaries and Wages	\$ 401,758	\$ 345,008	\$ 343,976	\$ -	\$ 1,032	\$ -
Other Expenses	15,120	15,750	14,373	1,343	34	-
City Council						
Salaries and Wages	670,378	531,778	530,976	-	802	-
Other Expenses	178,890	168,890	109,670	693	58,527	-
Office of the City Clerk						
Salaries and Wages	424,658	350,458	348,997	-	1,461	-
Other Expenses	130,705	138,705	116,610	4,801	17,294	-
Elections						
Salaries and Wages	7,388	4,388	4,338	-	50	-
Other Expenses	228,050	160,050	67,256	1,380	91,414	-
Insurance						
Salaries and Wages	96,562	88,262	88,216	-	46	-
Other Expenses	42,415,269	47,581,643	46,754,027	-	827,616	-
Worker Compensation	4,900,000	4,900,000	4,028,538	843,071	28,391	-
Liability	4,389,116	4,389,116	3,647,649	527,411	214,056	-
Auditing Services and Costs						
Annual Audit	41,000	41,000	-	-	41,000	-
Other Audits	25,000	25,000	-	-	25,000	-
Cultural Affairs						
Salaries and Wages	85,735	84,535	82,093	2,375	67	-
Other Expenses	75,940	20,480	5,862	10,650	3,968	-

See Accompanying Notes to Financial Statements



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS" - continued						
<u>DEPARTMENT OF ADMINISTRATION</u>						
Office of the Business Administrator						
Salaries and Wages	\$ 643,724	\$ 438,724	\$ 437,699	\$ -	\$ 1,025	\$ -
Other Expenses	53,000	37,000	29,246	1,204	6,550	-
Division of Personnel						
Salaries and Wages	542,516	452,216	445,504	-	6,712	-
Other Expenses	32,650	58,950	32,324	26,585	41	-
Division of Purchasing						
Salaries and Wages	245,339	242,939	242,288	-	651	-
Other Expenses	19,700	20,200	19,364	788	48	-
Division of Data Processing						
Salaries and Wages	380,377	275,077	274,582	-	495	-
Other Expenses	457,078	317,078	214,470	57,854	44,754	-
Surveys and General - Other Expenses	98,000	48,000	22,567	6,872	18,561	-
Public Defender (P.L. 1997, c. 256)						
Salaries and Wages	107,333	107,333	27,662	-	79,671	-
Other Expenses	680	680	680	-	-	-
<u>DEPARTMENT OF FINANCE</u>						
Office of the Director						
Salaries and Wages	214,341	186,241	173,612	5	12,624	-
Other Expenses	151,550	121,550	97,505	23,718	327	-
Division of Treasury						
Salaries and Wages	359,907	347,007	346,727	-	280	-
Other Expenses	33,095	33,095	31,551	1,302	242	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS" - continued						
<u>DEPARTMENT OF FINANCE - continued</u>						
Division of Accounts and Control						
Salaries and Wages	\$ 433,681	\$ 496,081	\$ 492,679	\$ -	\$ 3,402	\$ -
Other Expenses	10,743	10,743	8,820	496	1,427	-
Division of Sewer Collection						
Salaries and Wages	171,264	161,864	161,863	-	1	-
Other Expenses	32,600	28,600	25,726	1,369	1,505	-
Division of Assessments						
Salaries and Wages	415,163	443,863	443,785	-	78	-
Other Expenses	37,560	136,660	38,004	825	97,831	-
Division of Revenue Collection						
Salaries and Wages	734,008	701,208	699,182	-	2,026	-
Other Expenses	200,730	190,730	185,664	4,152	914	-
Office of Internal Audit						
Salaries and Wages	143,743	101,243	101,238	-	5	-
Other Expenses	5,708	1,208	118	400	690	-
<u>DEPARTMENT OF LAW</u>						
Office of the Corporation Counsel						
Salaries and Wages	1,244,963	1,089,263	1,083,144	-	6,119	-
Other Expenses	113,770	153,770	50,622	1,801	101,347	-
<u>DEPARTMENT OF PUBLIC SAFETY</u>						
Taxicab Division						
Salaries and Wages	104,657	85,757	85,594	-	163	-
Other Expenses	9,650	6,150	3,967	71	2,112	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS" - continued						
<u>DEPARTMENT OF PUBLIC SAFETY - continued</u>						
Division of Fire						
Salaries and Wages	\$ 30,040,719	\$ 30,396,219	\$ 30,358,139	\$ -	\$ 38,080	\$ -
Other Expenses	1,482,060	1,611,360	1,498,157	39,814	73,389	-
Life Hazard Use Fees	263,500	263,500	263,500	-	-	-
Division of Police						
Salaries and Wages	41,998,031	42,939,451	42,600,447	-	339,004	-
Other Expenses	1,653,529	1,553,529	1,088,951	339,947	124,631	-
Animal Control						
Salaries and Wages	270,234	282,224	282,224	-	-	-
Other Expenses	48,900	45,500	39,900	-	5,600	-
<u>DEPARTMENT OF PUBLIC WORKS</u>						
Office of the Director						
Salaries and Wages	461,708	454,208	452,981	-	1,227	-
Other Expenses	26,870	32,770	30,611	915	1,244	-
Division of Engineering						
Salaries and Wages	245,282	222,182	222,167	-	15	-
Other Expenses	510,550	510,550	464,941	752	44,857	-
Division of Traffic and Lighting						
Salaries and Wages	328,780	372,280	369,708	-	2,572	-
Other Expenses	169,650	129,650	93,938	2,160	33,552	-
Division of Water and Sewers						
Salaries and Wages	362,362	344,162	343,502	-	660	-
Other Expenses	584,900	584,900	367,159	13,619	204,122	-
Sewer Repairs	15,000	15,000	-	-	15,000	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS" - continued						
<u>DEPARTMENT OF PUBLIC WORKS - continued</u>						
Division of Streets						
Salaries and Wages	\$ 2,997,374	\$ 2,807,074	\$ 2,801,461	\$ -	\$ 5,613	\$ -
Other Expenses	206,575	272,475	267,941	3,786	748	-
Street Repair	112,000	112,000	42,130	11,518	58,352	-
Snow Removal						
Salaries and Wages	137,127	137,127	137,127	-	-	-
Other Expenses	307,250	442,250	401,027	39,521	1,702	-
Snow Removal Emergency	800,000	800,000	800,000	-	-	-
Division of Auto Maintenance						
Salaries and Wages	490,372	419,272	415,697	-	3,575	-
Other Expenses	391,570	584,570	399,974	120,397	64,199	-
Division of Public Properties						
Parks and Shade Trees Section						
Salaries and Wages	1,440,506	1,498,806	1,496,642	-	2,164	-
Other Expenses	311,450	276,450	252,022	17,733	6,695	-
Public Buildings Section						
Salaries and Wages	1,392,437	1,544,537	1,519,078	-	25,459	-
Other Expenses	1,099,162	1,118,672	1,011,594	83,765	23,313	-
Division of Recreation						
Salaries and Wages	2,045,055	1,838,160	1,821,777	-	16,383	-
Other Expenses	442,934	515,484	373,764	72,855	68,865	-
Division of Recycling						
Salaries and Wages	1,144,619	1,214,319	1,208,420	-	5,899	-
Other Expenses	201,995	231,495	215,585	2,890	13,020	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS" - continued						
<u>DEPARTMENT OF PUBLIC WORKS - continued</u>						
Cable Communications						
Salaries and Wages	\$ 222,861	\$ 164,681	\$ 163,426	\$ -	\$ 1,255	\$ -
Other Expenses	31,020	21,620	11,720	2,427	7,473	-
<u>DEPARTMENT OF COMMUNITY DEVELOPMENT</u>						
Division of Planning and Zoning						
Salaries and Wages	328,312	307,412	306,718	-	694	-
Other Expenses	14,300	9,300	8,577	312	411	-
Division of Community Improvements						
Salaries and Wages	1,209,222	916,622	911,166	-	5,456	-
Other Expenses	1,097,862	1,097,862	487,197	5,673	604,992	-
Division of Economic Development						
Salaries and Wages	158,877	173,377	173,362	-	15	-
Other Expenses	30,550	21,550	8,018	7,241	6,291	-
Division of Redevelopment						
Salaries and Wages	20,200	-	-	-	-	-
Other Expenses	11,550	-	-	-	-	-
<u>DEPARTMENT OF HUMAN SERVICES</u>						
Office of the Director						
Salaries and Wages	362,069	287,569	287,315	-	254	-
Other Expenses	7,156	7,156	4,768	668	1,720	-
Office of Aging and Disabled Services						
Salaries and Wages	98,808	97,348	97,347	-	1	-
Other Expenses	20,420	11,420	7,719	171	3,530	-
Social Services	350,000	350,000	243,040	70,451	36,509	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS" - continued						
<u>DEPARTMENT OF HUMAN SERVICES - continued</u>						
Division of Consumer Protection						
Salaries and Wages	\$ 164,125	\$ 163,125	\$ 151,970	\$ -	\$ 11,155	\$ -
Other Expenses	12,047	9,047	5,550	1,090	2,407	-
Division of Youth Services						
Salaries and Wages	323,440	294,340	294,242	-	98	-
Other Expenses	21,338	16,338	14,394	1,802	142	-
Division of Health						
Salaries and Wages	2,262,040	2,042,140	1,946,981	450	94,709	-
Other Expenses	293,600	209,600	162,513	35,738	11,349	-
<u>STATUTORY AGENCIES</u>						
Museum						
Salaries and Wages	347,268	301,668	301,554	-	114	-
Other Expenses	45,650	45,650	12,928	2,503	30,219	-
Board of Adjustment						
Salaries and Wages	50,592	56,092	55,976	-	116	-
Other Expenses	39,200	42,850	41,762	981	107	-
Office of Emergency Management						
Salaries and Wages	112,090	100,890	100,866	-	24	-
Other Expenses	118,421	116,421	65,509	48,466	2,446	-
Planning Board						
Salaries and Wages	50,556	16,156	15,810	-	346	-
Other Expenses	30,100	31,800	30,280	1,297	223	-
Youth Guidance Council						
Other Expenses	27,000	17,000	8,087	2,084	6,829	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Within "CAPS" - continued						
<u>STATUTORY AGENCIES - continued</u>						
Historic Preservation Commission						
Salaries and Wages	\$ 124,943	\$ 112,843	\$ 112,318	\$ -	\$ 525	\$ -
Other Expenses	14,500	14,500	8,854	769	4,877	-
Municipal Court						
Salaries and Wages	1,508,617	1,425,042	1,424,958	-	84	-
Other Expenses	174,340	149,340	140,116	4,432	4,792	-
<u>UNCLASSIFIED</u>						
Electricity	1,115,000	1,075,000	644,476	843	429,681	-
Street Lighting	2,722,000	2,572,000	2,503,916	32	68,052	-
Telephone Service	468,100	438,100	340,343	26,756	71,001	-
Gas	507,000	357,000	299,057	672	57,271	-
Fuel Oil	19,000	9,000	4,193	1,807	3,000	-
Gasoline	1,312,500	1,012,500	878,286	184	134,030	-
Solid Waste	7,505,867	7,135,867	6,891,874	15,171	228,822	-
(B) Contingent	5,000	5,000	2,820	-	2,180	-
Total Operations Including Contingent within "CAPS"	176,403,141	179,943,695	172,729,338	2,500,858	4,713,499	-
Detail:						
Salaries and Wages	98,126,121	97,462,571	96,787,534	2,830	672,207	-
Other Expenses	78,277,020	82,481,124	75,941,804	2,498,028	4,041,292	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or		Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Charged	Encumbered	Reserved		
(E) Deferred Charges and Statutory Expenditures within "CAPS"							
(1) <u>DEFERRED CHARGES</u>							
Prior Years' Bills	\$ 48,554	\$ 48,554	\$ 47,979	\$ -	\$ -	\$ -	\$ 575
(2) <u>STATUTORY EXPENDITURES</u>							
Contribution to:							
Public Employees Retirement System (PERS)	2,807,567	2,807,567	2,802,316	-	5,251	-	-
Police and Firemen's Retirement System (PFRS)	17,469,627	17,469,627	17,469,627	-	-	-	-
Social Security System (O.A.S.I.)	1,909,422	1,909,422	1,889,595	-	19,827	-	-
Consolidated Police and Fire Retirement Fund	5,000	5,000	(57,948)	-	62,948	-	-
Increased Retirement Allowance: C143-L-1958	80,535	80,535	80,535	-	-	-	-
Defined Contribution Retirement Program	45,000	45,000	28,153	-	16,847	-	-
Medicare	1,420,005	1,420,005	1,409,646	-	10,359	-	-
Unemployment Compensation Insurance	151,000	151,000	149,068	-	1,932	-	-
State Disability	221,000	221,000	209,234	-	11,766	-	-
Excise Tax	45,000	45,000	11,204	-	33,796	-	-
	<u>24,202,710</u>	<u>24,202,710</u>	<u>24,039,409</u>	<u>-</u>	<u>162,726</u>	<u>575</u>	
(H-1) <u>TOTAL GENERAL APPROPRIATIONS</u>							
FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>200,605,851</u>	<u>204,146,405</u>	<u>196,768,747</u>	<u>2,500,858</u>	<u>4,876,225</u>	<u>575</u>	

See Accompanying Notes to Financial Statements



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Excluded From "CAPS"						
Passaic Valley Sewerage Commission	\$ 10,373,703	\$ 10,788,149	\$ 10,788,149	\$ -	\$ -	\$ -
Maintenance of Free Public Libraries	2,418,808	2,418,808	2,149,621	12,086	257,101	-
Library Fringe Benefits:						
Social Security	107,169	107,169	107,169	-	-	-
Medicare	25,235	25,235	25,235	-	-	-
Insurance	1,091,368	1,091,368	1,091,368	-	-	-
Safe and Secure - Local Share	739,218	739,218	739,218	-	-	-
FEMA Assistance to Firefighters - Local Share	71,064	71,064	71,064	-	-	-
911 Salaries and Wages - Police	894,860	894,860	894,860	-	-	-
911 Salaries and Wages - Fire	374,661	374,661	374,661	-	-	-
Fire Arson Investigation Equipment - Local Share	2,888	2,888	2,888	-	-	-
Solid Waste Recycling Tax	219,756	219,756	219,756	-	-	-
HUD Audit Repayment	439,413	439,413	439,413	-	-	-
Paterson Station House	1,288	1,288	1,288	-	-	-
	16,759,431	17,173,877	16,904,690	12,086	257,101	-
<b>PUBLIC AND PRIVATE PROGRAMS</b>						
<b>OFFSET BY REVENUES</b>						
US Department of Health and Human Services						
HIV Ryan White Program 3/1/14-2/28/15	3,097,922	6,393,144	6,393,144	-	-	-
2014 SPNS Grant US 9/1/14-8/31/17	500,000	500,000	500,000	-	-	-
NACCHO MRC Grant	3,500	3,500	3,500	-	-	-
US Federal Emergency Management Agency						
2012 Assistance to Firefighters Grant	639,576	639,576	639,576	-	-	-
Fire Arson Investigation Equipment	54,878	54,878	54,878	-	-	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Excluded From "CAPS" - continued						
<u>PUBLIC AND PRIVATE PROGRAMS</u>						
<u>OFFSET BY REVENUES - continued</u>						
NJ Department of Health and Senior Services						
Sexually Transmitted Disease Control Program	\$ 88,535	\$ 88,535	\$ 88,535	\$ -	\$ -	\$ -
Tuberculosis Control Program	208,700	208,700	208,700	-	-	-
Public Health Preparedness / Bioterror Response	226,525	226,525	226,525	-	-	-
Childhood Lead Poisoning Control Program	230,846	230,846	230,846	-	-	-
HIV Counseling, Testing and Referral	243,400	486,800	486,800	-	-	-
Federal TB Control Grant	97,254	97,254	97,254	-	-	-
Shaping NJ Health Community Grant	-	12,000	12,000	-	-	-
New Jersey Department of Environmental Protection:						
CLG Historic District Grant	23,835	23,835	23,835	-	-	-
New Jersey Department of Law & Public Safety:						
Safe and Secure Communities Program	199,563	199,563	199,563	-	-	-
DWI Surcharge	11,448	22,345	22,345	-	-	-
Body Armor Grant	34,409	34,409	34,409	-	-	-
Pedestrian Safety Grant	16,000	16,000	16,000	-	-	-
New Jersey Department of Commerce and Economic Development:						
UEZ - Small Business Development Center	50,000	50,000	50,000	-	-	-
UEZ - Administration Budget	242,031	242,031	242,031	-	-	-
New Jersey Department of Human Services:						
2015 School Based Youth Services Program	310,190	310,190	310,190	-	-	-
Teen Parenting Program 2015	149,897	149,897	149,897	-	-	-
New Jersey Department of Environmental Protection:						
NJDEP - Clean Communities Program	-	193,566	193,566	-	-	-
NJDEP - Recycling Tonnage Grant	-	221,874	221,874	-	-	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(A) Operations - Excluded From "CAPS" - continued						
<u>PUBLIC AND PRIVATE PROGRAMS</u>						
<u>OFFSET BY REVENUES - continued</u>						
County of Passaic:						
Municipal Alliance Program	\$ 15,410	\$ 61,641	\$ 61,641	\$ -	\$ -	\$ -
Senior Citizen Disabled Transportation	202,000	202,000	202,000	-	-	-
County of Passaic - Evening Reporting Program	-	103,855	103,855	-	-	-
County of Passaic - Total Lifestyle Support Prog.	-	86,980	86,980	-	-	-
Other:						
City of Passaic Byrne Memorial Equip. Grant	147,423	147,423	147,423	-	-	-
Comm. Foundation of NJ Give and Receive	20,000	20,000	20,000	-	-	-
Pinchak Pharmacy Museum Exhibit Grant	711	711	711	-	-	-
Senior Farmers Market	500	500	500	-	-	-
Dan Oliff Memorial Veterans Exhibition	10,000	10,000	10,000	-	-	-
Mineral Display Grant	5,000	5,000	5,000	-	-	-
	6,829,553	11,043,578	11,043,578	-	-	-
Total Operations - Excluded from "CAPS"	23,588,984	28,217,455	27,948,268	12,086	257,101	-
Detail:						
Salaries and Wages	1,269,521	1,269,521	1,269,521	-	-	-
Other Expenses	22,319,463	26,947,934	26,678,747	12,086	257,101	-
(C) Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	291,300	291,300	291,300	-	-	-
Ord. 14-042 Resurfacing Various Roads	48,700	48,700	48,700	-	-	-
	340,000	340,000	340,000	-	-	-

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
(D) Municipal Debt Service						
Payment of Bond Principal	\$ 3,917,145	\$ 3,917,145	\$ 3,917,145	-	\$ -	\$ -
NJ Environmental Infrastructure Principal	1,214,506	1,214,506	1,197,200	-	-	17,306
Interest on Bonds	3,656,314	3,656,314	3,332,995	-	-	323,319
Interest on Emergency Notes	126,930	126,930	126,930	-	-	-
NJ Environmental Infrastructure Interest	230,075	230,075	221,227	-	-	8,848
Interest on Bond Anticipation Notes	187,600	187,600	184,964	-	-	2,636
Principal Due on BANs and Emergency Notes	2,437,000	2,877,000	2,877,000	-	-	-
Green Trust Loan Program						
Payment of Principal	119,615	119,615	119,615	-	-	-
Payment of Interest	5,692	5,692	5,692	-	-	-
	11,894,877	12,334,877	11,982,768	-	-	352,109
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
Special Emergency Authorizations - 5 Years	2,578,000	2,578,000	2,578,000	-	-	-
(F) Judgments	50,000	50,000	-	-	-	50,000
(O) TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	38,451,861	43,520,332	42,849,036	12,086	257,101	402,109
(L) Subtotal General Appropriations	239,057,712	247,666,737	239,617,783	2,512,944	5,133,326	402,684
(M) Reserve for Uncollected Taxes	13,556,033	13,556,033	13,556,033	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 252,613,745	\$ 261,222,770	\$ 253,173,816	\$ 2,512,944	\$ 5,133,326	\$ 402,684
Ref.	A-3a	A-3a	A-3a	A-19	A	A-3a

See Accompanying Notes to Financial Statements

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
ANALYSIS OF MODIFIED BUDGET AND PAID OR CHARGED**

		Budget After Modification	Paid or Charged
	<u>Ref.</u>		
Budget As Adopted	A-2	\$ 252,613,745	\$ -
Added by N.J.S.A. 40A:4-87	A-2	4,214,025	-
Reserve for Uncollected Taxes	A-2a	-	13,556,033
Cash Disbursements	A-4	-	247,605,220
Qualified Bonds Paid by State	A-15	-	7,250,140
Special Emergency	A-16	4,395,000	3,378,000
Interfund - Grants	A-17	-	11,043,578
Interfund - Grants Match	A-17	-	813,170
Life Hazard Use Fees - Grants	A-17	-	263,500
Chargebacks	A-17	-	3,663,868
Capital Improvement Fund	A-17	-	291,300
Re-Allocated Disbursements	A-22	-	1,329,539
		<hr/>	<hr/>
Subtotal: Modified Budget / Paid or Charged	A-3	261,222,770	289,194,348
Less:			
Other Reserves	A-1	-	1,915
Reserve for Uncollected Taxes	A-2a	13,556,033	-
Appropriations Canceled	A-3	402,684	-
Cash Receipts	A-4	-	34,349,109
Interfunds - Budget Reimbursements	A-17	-	1,669,508
		<hr/>	<hr/>
Total Paid or Charged	A-3		\$ 253,173,816
			<hr/>
Net Modified Budget	A-1	<u>\$ 247,264,053</u>	

**CITY OF PATERSON**

**REPORT OF AUDIT  
FY 2015**

**FINANCIAL SECTION:  
TRUST FUND FINANCIAL STATEMENTS**

**CITY OF PATERSON  
TRUST FUNDS  
AS OF JUNE 30, 2015 AND 2014**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-2	\$ 25,952	\$ 7,669
Due from Other Trust	contra	-	462
		<u>25,952</u>	<u>8,131</u>
Other Trust Fund:			
Cash - Community Development	B-2	1,170,190	1,415,294
Cash - Other Trust	B-2	6,887,440	5,648,336
Taxes Receivable - Special Improvement Districts	B-3	3,131	3,987
Grants Receivable	B-5	11,887,108	12,206,909
Due from Municipal Utility Authority	B-9	-	3,199,181
Redevelopment/CDBG Held Properties	B-12	172,930	172,930
Tax Title Lien - Special Improvement Districts	B-19	78,691	54,733
Total Other Trust Fund		<u>20,199,490</u>	<u>22,701,370</u>
Total Assets		<u>\$ 20,225,442</u>	<u>\$ 22,709,501</u>
<u>Liabilities and Reserves</u>			
Animal Control Trust Fund:			
Due to State of New Jersey	B-6	\$ 96	\$ 92
Reserve for Animal Control Fund Expenditures	B-11	15,511	8,039
Total Animal Control Trust Fund		<u>15,607</u>	<u>8,131</u>
Other Trust Fund:			
Due to Special Improvement Districts	B-4	71,696	74,080
Tax Overpayments - Special Improvement District	B-18	-	2,639
Prepaid Revenue - Special Improvement District	B-20	49,607	56,420
Due to Animal Control Fund	contra	-	462
Due to Current Fund	B-23	11,677	-
Reserve for:			
Off-Duty Police Officers	B-7	405,611	330,795
Off-Duty Police Officers Administration	B-8	119,020	52,153
Municipal Utility Authority Receivable	B-10	-	3,199,181
Redevelopment/CDBG Held Properties	B-13	172,930	172,930
Parking Offense Adjudication Act	B-14	165,711	154,067
Weights and Measures	B-15	74,267	74,267
Public Defender Fees	B-16	11,111	11,717

See Accompanying Notes to the Financial Statements.

**CITY OF PATERSON  
TRUST FUNDS  
AS OF JUNE 30, 2015 AND 2014**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
Reserve for:			
Special Improvement District Taxes	B-21	\$ 81,822	\$ 58,720
Various Reserves and Deposits	B-17	3,898,432	2,835,002
Payroll Agency	B-22	2,082,749	2,044,499
Various Grants	B-24	<u>13,057,298</u>	<u>13,622,203</u>
		20,201,931	22,689,135
Fund Balance	B-1	<u>7,904</u>	<u>12,235</u>
Total Other Trust Fund		<u>20,209,835</u>	<u>22,701,370</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 20,225,442</u>	<u>\$ 22,709,501</u>

See Accompanying Notes to the Financial Statements.



**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE -  
REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
Increased by:			
Cash Receipts	B-2	\$ 268	\$ 322
Cancellations	B-17	<u>6,500</u>	<u>5,500</u>
		6,768	5,822
Decreased by:			
Cash Disbursements Applied to Anticipated Revenue	B-2	<u>11,099</u>	<u>15,000</u>
Net Decrease in Fund Balance		(4,331)	(9,178)
Balance: June 30, 2014	B	<u>12,235</u>	<u>21,413</u>
Balance: June 30, 2015	B	<u><u>\$ 7,904</u></u>	<u><u>\$ 12,235</u></u>

See Accompanying Notes to the Financial Statements.

CITY OF PATERSON

REPORT OF AUDIT  
FY 2015

**FINANCIAL SECTION:  
GENERAL CAPITAL FUND  
FINANCIAL STATEMENTS**

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
AS OF JUNE 30, 2015 AND 2014**

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
<u>Assets</u>			
Cash	C-2; C-3	\$ 18,381,734	\$ 16,045,133
Grants Receivable	C-4	6,293,440	5,970,072
Interfunds Receivable	C-8	-	122,425
Deferred Charges to Future Taxation:			
Funded	C-5	73,647,056	78,575,220
Unfunded	C-6	56,203,850	24,403,953
Due from New Jersey Environmental Infrastructure Trust Fund	C-7	<u>8,757,606</u>	<u>8,757,606</u>
Total Assets and Deferred Charges		<u><u>\$ 163,283,686</u></u>	<u><u>\$ 133,874,409</u></u>
<u>Liabilities and Reserves</u>			
General Serial Bonds	C-10	\$ 57,524,477	\$ 61,441,623
Bond Anticipation Notes	C-12	23,796,000	15,008,000
Improvement Authorizations:			
Funded	C-9	19,185,831	23,037,739
Unfunded	C-9	46,132,675	15,334,051
Capital Improvement Fund	C-14	460,413	394,113
Due to State of New Jersey:			
Green Acres Trust Loan Payable	C-13	2,079,666	1,876,178
Environmental Infrastructure Loan	C-11	<u>14,042,913</u>	<u>15,257,419</u>
		163,221,975	132,349,123
Fund Balance	C-1	<u>61,711</u>	<u>1,525,286</u>
Total Liabilities, Reserves and Fund Balance		<u><u>\$ 163,283,686</u></u>	<u><u>\$ 133,874,409</u></u>
Bonds and Notes Authorized But Not Issued	C-15	<u><u>\$ 32,407,850</u></u>	<u><u>\$ 9,395,953</u></u>

See Accompanying Notes to the Financial Statements.

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE -  
REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
Increased by:			
Premiums Received on Sale of Notes:			
Capital Fund Share of Notes Issued June 3, 2015	C-8	\$ 61,425	\$ -
Capital Fund Share of Notes Issued June 26, 2014		-	30,090
Issued June 3, 2014		-	10,355
		<u>61,425</u>	<u>40,445</u>
Decreased by:			
Appropriated to Fund Ordinance No. 14-042	C-9	1,525,000	-
Appropriated to Fund Ordinance No. 13-043		-	1,485,000
Anticipated as Budget Revenue		-	218,000
		<u>1,525,000</u>	<u>1,703,000</u>
Net Decrease in Fund Balance		(1,463,575)	(1,662,555)
Balance: July 1	C; C-3	<u>1,525,286</u>	<u>3,187,841</u>
Balance: June 30	C; C-3	<u>\$ 61,711</u>	<u>\$ 1,525,286</u>

See Accompanying Notes to the Financial Statements.

CITY OF PATERSON

REPORT OF AUDIT  
FY 2015

**FINANCIAL SECTION:  
GENERAL FIXED ASSETS  
FINANCIAL STATEMENTS**

**CITY OF PATERSON  
GENERAL FIXED ASSETS  
AS OF JUNE 30, 2015 AND 2014**

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

		<u>2015</u>	<u>2014</u>
	<u>Ref.</u>		
<u>Assets</u>			
Land		\$ 3,257,443	\$ 3,257,443
Building		39,034,660	39,034,660
Machinery & Equipment		<u>20,197,935</u>	<u>20,197,935</u>
	D-1	<u>\$ 62,490,038</u>	<u>\$ 62,490,038</u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	D-2	<u>\$ 62,490,038</u>	<u>\$ 62,490,038</u>

See Accompanying Notes to the Financial Statements.

**CITY OF PATERSON**

REPORT OF AUDIT  
FY 2015

**FINANCIAL SECTION:  
NOTES TO FINANCIAL STATEMENTS**

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The City of Paterson (the “City”) is organized as a Mayor - Council municipality under the provisions of N.J.S.A. 40:69A. The City is governed by an elected Mayor and Council, and by such other officers and employees as may be duly appointed. The Council consists of nine members, three of which are elected at-large by voters of the City and serve a term of four years beginning on the first day of July next following their election. The Mayor is also elected directly by the voters of the City and also serves a term of four years beginning the first day of July following the election.

The financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City do not include the operations of the Parking Authority, the Passaic Valley Water Commission, the Passaic Valley Sewerage Commission, the Bunker Hill Special Improvement District or the Downtown Paterson Special Improvement District; inasmuch as their activities are administered by separate boards.

The Governmental Accounting Standards Board (GASB) established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The State of New Jersey, Department of Community Affairs, Division of Local Government Services (the “Division”) requires the financial statements of the City to be reported separately from its component units. If the provisions of GASB had been complied with, the following financial statements of the component units would have been discretely presented with the financial statements of the City, the primary government:

Paterson Municipal Utilities Authority (Dissolved October 28, 2014)  
Paterson Library  
Paterson Parking Authority

Audit reports of the component units are available at each of the respective component units. If the report were prepared in conformity with accounting principles generally accepted in the United States of America, these component units would be included in the City’s financial statements.



**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF PRESENTATION**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund categories to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City have been prepared in conformity with accounting principles and practices prescribed by the Division, which differ from GAAP. The principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

**DESCRIPTION OF FUNDS**

The accounts of the City are maintained in accordance with the Division's principles of fund accounting to ensure observance of limitations and restrictions on resources available. The Division's principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fixed Assets account group, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**Current Fund** - is used to account for all resources and expenditures for governmental operations of a general nature.

**Federal and State Grants Fund** – is used to account for receivables due from grantor agencies and the balance of grant awards available for spending, after first having been formally adopted by Current Fund budget or subsequent insertion in the budget in accordance with N.J.S.A. 40A:4-87.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**DESCRIPTION OF FUNDS** (continued)

**Trust Fund** - is used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to applicable state statutes or as an agent for individuals and other governmental agencies.

**General Capital Fund** - is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are general and school bonds and notes payable offset by deferred charges to future taxation.

**General Fixed Assets** - is not a separate fund type, but is an account group used to account for all fixed assets of the City.

**BASIS OF ACCOUNTING**

The City prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America. The current financial resources focus and modified accrual basis of accounting is generally followed with significant exceptions which are explained as follows:

**Revenues** – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal revenue sharing funds and other Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes and other amounts that are due to the City are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. Taxes and sewer charges collected in advance are recorded as cash liabilities in the financial statements. GAAP requires revenues to be recognized in the accounting period when they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Reserve for Uncollected Taxes** – Reserve for Uncollected Taxes is required to provide assurance that cash collected for taxes in the current year will provide sufficient cash flow to meet expected obligations. The minimum amount of Reserve for Uncollected Taxes is determined on the percentage of collections experienced in the immediate preceding year, unless allowable alternative methods are utilized. A Reserve for Uncollected Taxes is not established under GAAP.

**Expenditures** – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

**Encumbrances** – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** – Appropriations are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

**Interfunds** - Advances from the current fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

**Property Acquired for Taxes** – Property Acquired for Taxes is recorded in the current fund at the assessed valuation when the property was acquired and is subsequently updated for revaluations. The value of the property is fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

**Deferred Charges to Future Taxation (Funded and Unfunded)** - Upon the authorization of general capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized costs of capital projects. The City may levy taxes on all taxable property within the City to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

**Improvement Authorizations** – Improvement Authorizations in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

**Compensated Absences and Post-Employment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

**Use of Estimates** - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**General Fixed Assets** - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the City's basic financial statements.

Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. Public domain (infrastructure) general fixed assets consisting of certain improvements, other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized.

All fixed assets, except land, are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for construction in progress are recorded in the Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operation.

The City is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

No depreciation has been provided in the financial statements.

GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Cash and Investments** - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any state or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation ("FDIC") and which receives or holds public funds on deposit, but does not include deposits held by the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The City is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the City requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight. The revised GUDPA ensures a common level of deposit risk for each bank choosing to accept local government deposits. It requires banks to fully collateralize deposits over \$200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of Banking and Insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of less than three (3) months.

Also see Note B - Cash and Cash Equivalents.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements. The budgetary requirements herein outlined are applicable to only the Current Fund, and not the Trust Fund, Capital Fund or the General Fixed Assets account group. However, statutes require the City to adopt annually a six-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The City must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: February 20 for introduction and approval and March 20 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year at which time transfers between certain line items are allowed. Transfers from appropriations excluded from "CAPS" are prohibited unless they are between debt service appropriations. Under certain circumstances emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The City must prepare its budgets in compliance with applicable laws capping the amounts by which both the budgeted appropriations and tax levy can be increased. A description of both "CAPS" follows:

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional Federal government inflation calculation. The City can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap spending to 3.5%, upon passage of a COLA Rate Ordinance.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING** (continued)

**2010 Levy "CAP":** The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A 40A:4-45.44 through 45.47. It establishes limits on the increase in the total City amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

**Long-Term Obligations** - General long-term debt is recognized as a liability of the General Capital Fund for the full principal amount.

**Reserves (Other than Reserve for Receivables)** - Reserves, other than reserve for receivables, are considered liabilities, and not as a reservation of fund balance.

**Reserves for Receivables** – Receivables of the City, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the revenue recognition basis required by the Division's accounting policies. The reserve delays the recognition of these revenues until they are received in cash.

**Self-Insurance Contributions** - Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as expenditure.

**Advertising Costs** - Advertising costs are charged against the appropriate budget line as they occur. The City does not engage in direct-response advertising.

**Sale of Municipal Assets** - The proceeds of the sale of municipal assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

**Fund Balance** - Fund equity represented on the financial statements consists solely of Fund Balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources).



**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIC FINANCIAL STATEMENTS**

The GASB Codification also requires the financial statements of a governmental unit presented in the general purpose financial statements to be in accordance with GAAP. The City presents financial statements which are required by the Division and which differ from the financial statements required by GAAP. These financial statements are listed in the table of contents.

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. Comparative data is not presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**Reclassifications** – Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

**Reconciliation of Accounting Basis** – As described throughout Note A, substantial differences exist between GAAP and the budgetary basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

**NOTE B. CASH AND CASH EQUIVALENTS**

**DEPOSITS**

Cash and cash equivalents on deposit as of the years ended June 30, 2013 and 2012 are partially insured by the FDIC up to \$250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA (see Note A - Cash and Investments or are on deposit with the New Jersey Cash Management Fund.

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

DEPOSITS (continued)

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized.
- b. Collateralized with securities held by the pledging financial institution.
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

The City's deposits of cash and cash equivalents at June 30, 2015 and 2014 are summarized in the following table. As of June 30, 2015, 56% of the City's deposits were with one financial institution and the remaining 44% of deposits was distributed among five financial institutions. As of June 30, 2014, 44% of the City's deposits were with one financial institution and 19% with another. The remaining 37% of deposits were distributed among three financial institutions.

	2015	2014
FDIC Insured	\$ 1,250,000	\$ 1,000,000
GUDPA Insured	42,616,595	32,826,001
New Jersey Cash Management Fund	3,423,450	3,421,257
	<u>\$ 47,290,045</u>	<u>\$ 37,247,258</u>

Under GUDPA, financial institutions are not required to pledge collateral for amounts covered by FDIC insurance.

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the City's deposits as of June 30, 2015 and 2014 are known to be held in foreign currency.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

**INVESTMENTS**

New Jersey statutes permit the City to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units
- Local government investment pools.
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C.52:18A-90.4).
- Certain agreements for the repurchase of fully collateralized securities, subject to certain limitations as identified in the statute.

**Custodial Credit Risk** - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name and are held by either the counterparty or its trust department or agent, but not in the City's name.

**Foreign Currency Risk** - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The City does not have any investments denominated in foreign currency as of June 30, 2015 and 2014.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

INVESTMENTS (continued)

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy regarding the management of credit risk.

**Concentration of Credit Risk** - The City places no formal limit on the amount it may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the “Investments” section of this Note. Currently, the City’s only investments consist of deposits in the New Jersey Cash Management Fund, which is classified as a Government Investment Pool.

The City’s investments at June 30, 2015 are presented as follows:

Investment Type	Fair Value*	Investment Maturities (in Years)			
		< 1	1 - 5	6 - 10	> 10
Government Investment Pools	\$ 3,423,450	\$ 3,423,450	\$ -	\$ -	\$ -

The City’s investments at June 30, 2014 are presented as follows:

Investment Type	Fair Value*	Investment Maturities (in Years)			
		< 1	1 - 5	6 - 10	> 10
Government Investment Pools	\$ 3,421,257	\$ 3,421,257	\$ -	\$ -	\$ -

\* Short-term investments are carried at cost, which approximates fair value.

Government Investment Pools consists of investments in the New Jersey Cash Management Fund. Because of their liquidity, these investments are classified as cash and cash equivalents on the financial statements of the City.

These investments are described in more detail on the following page.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE B. CASH AND CASH EQUIVALENTS (continued)**

INVESTMENTS (continued)

**New Jersey Cash Management Fund** - All investments in the New Jersey Cash Management Fund are governed by the regulations of the State Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Investment Council regulations, the Division of Investment sets further standards for specific investments and monitors the credit of all eligible securities issues on a regular basis. In all the years of the Division of Investment's existence, it has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated in the New Jersey Cash Management Fund as additional protection for the other-than-State participants, which includes the City. The City does not own specific identifiable securities, but instead has a net realizable interest in the joint value of the fund. There is no available credit rating for the New Jersey Cash Management Fund. The audited financial statements of the New Jersey Cash Management Fund can be obtained by contacting the State of New Jersey, Department of the Treasury, Division of Investment 50 West State Street, 9<sup>th</sup> Floor, Trenton, NJ 08608-0290 or by visiting its website. As of June 30, 2015 and 2014, the City had a balance of \$3,423,450 and \$3,421,257 respectively, in the New Jersey Cash Management Fund.

**NOTE C. PROPERTY TAXES**

PROPERTY TAX CALENDAR

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes.

The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budget of the entities that follow:

**County Taxes** - The City is responsible for levying, collecting and remitting county taxes for the County of Passaic. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current fiscal year, and due to be paid to the County by February 15. As of June 30, 2015 and 2014, the City had no County taxes payable.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE C. PROPERTY TAXES (continued)**

PROPERTY TAX CALENDAR (continued)

**School Taxes** - The City is responsible for levying, collecting and remitting school taxes for the Board of Education. Operations are charged for the full amount required to be raised from taxation to operate the local school district. As of June 30, 2015 and 2014, the City had no school taxes payable.

PROPERTY TAXES RECEIVABLE

**Reserve for Uncollected Taxes** - Reserve for Uncollected Taxes is a non-spending item of appropriation required by statute to be included in the City's annual budget. This appropriation protects the City from taxes not paid currently by providing assurance that cash collected in the current year will provide sufficient cash flow to meet obligations as they become due. The minimum amount required to be appropriated in the budget is determined on the percentage of collections experiences in the immediate preceding year, unless the three-year average option is chosen. For the years ended June 30, 2015 and 2014, the budgeted reserve for uncollected taxes was \$13,556,033 and \$10,922,467, respectively.

**Delinquent Taxes and Tax Title Liens** - As mentioned in Note A, taxes receivable and tax title liens are realized as revenue when collected. Uncollected receivables are fully reserved, so no provision is made for the uncollectible portions of these taxes. For the years ended June 30, 2015 and 2014, property taxes receivable were \$234,852 and \$123,987, respectively and tax title liens receivable were \$16,549,116 and \$12,285,926, respectively.

**Property Acquired by Tax Title Lien Liquidation** – The City held its annual accelerated tax sale on June 25, 2015. All properties with delinquent taxes at May 1, 2015 were subject to tax sale, with the exception of any property where the owner is bankrupt or there is a court order. The value of properties acquired by tax title liens at June 30, 2015 and 2014 were \$5,107,360, each year.

**Prepaid Taxes** - Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of June 30, 2015 and 2014 were \$91,898 and \$130,774, respectively.

**Tax Overpayments** - Overpaid taxes collected during the year and due to taxpayers either as a refund or tax credit are recorded as cash liabilities in the financial statements. Tax overpayments as of June 30, 2015 and 2014 were \$3,383,590 and \$2,582,072, respectively.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT**

**SUMMARY OF MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds to finance general municipal and utility capital expenditures. Most bonds are retired in serial installments within the statutory period of usefulness. Other bonds may be term bonds with sinking fund requirements. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds. At June 30, 2015 and 2014, the City's statutory debt as defined by the Local Bond Law is summarized as follows:

<b>SUMMARY OF MUNICIPAL DEBT</b>		
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>Statutory Debt Pursuant to Local Bond Law</b>		
<u>Issued:</u>		
General:		
General Serial Bonds	\$ 57,524,477	\$ 61,441,623
Bond Anticipation Notes	23,796,000	15,008,000
Green Acres Trust Loan Payable	2,079,666	1,876,178
Environmental Infrastructure Loan	<u>14,042,913</u>	<u>15,257,419</u>
Total Gross Statutory Debt Issued	97,443,056	93,583,220
Less Statutory Deductions to Debt Limit:		
Pension Refunding Bonds	<u>2,475,477</u>	<u>3,492,623</u>
Net Statutory Debt Issued	94,967,579	90,090,597
<u>Authorized but not Issued:</u>		
General Improvements	<u>32,407,850</u>	<u>9,395,953</u>
Net Statutory Debt Issued and		
Authorized but not Issued	<u><u>\$ 127,375,429</u></u>	<u><u>\$ 99,486,550</u></u>

**School Debt (Included as Obligations of the City)** - The City of Paterson Board of Education is a State Operated School District, as such, bonds and notes issued are authorized by the Capital Projects Control Board and are funded by the New Jersey Schools Development Authority and included in the State of New Jersey Annual Budget. Prior to becoming a State Operated School District, Paterson Public Schools operated as a Type I School District whereby the governing body of the City authorized and issued school bonds. Such debt matured during the year ended June 30, 2014.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**SUMMARY OF MUNICIPAL DEBT** (continued)

In addition to the capital debt shown in the preceding schedule, the City had additional debt which, in accordance with statutes, is not included as part of the City's statutory debt position. All such debt is recorded in the Current Fund and is as follows:

<b>Non-Statutory Debt</b>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<u>Issued:</u>		
Current Fund		
Special Emergency Notes:		
Revaluation	\$ 1,260,000	\$ 1,680,000
Insurance	3,955,000	-
Debt Service	440,000	-
Accrued Sick and Vacation Time - FY 2014	1,320,000	1,650,000
Accrued Sick and Vacation Time - FY 2013	1,362,000	1,816,000
Accrued Sick and Vacation Time - FY 2012	1,136,000	1,704,000
Accrued Sick and Vacation Time - FY 2011	806,000	1,612,000
	<u>\$ 10,279,000</u>	<u>\$ 8,462,000</u>

**Debt Refunding and Rollover**

During the year ended June 30, 2015, the City renewed or refunded the following notes:

- Tax Refunding Notes and Bond Anticipations Notes, combined as Bond Anticipation Notes on Exhibit C. The proceeds of these notes were used to rollover \$12,131,000 of existing notes. The additional \$11,665,000 of new notes represents temporary funding of Ordinance Number 14-042. Such Notes are more fully discussed herein.
- Special Emergency Notes, the proceeds of which were used to rollover \$5,884,000 of notes issued in a prior year. The additional \$4,395,000 of new notes represents temporary funding of Ordinance Number 15-041. Such Notes are more fully discussed herein.

During the year ended June 30, 2014, the City renewed or refunded the following notes:

- Tax Refunding Notes and Bond Anticipations Notes, combined as Bond Anticipation Notes on Exhibit C. The proceeds of these notes were used to rollover \$4,213,000 of notes issued in a prior year. The additional \$10,795,000 of new notes represents temporary funding of Ordinances Numbered 13-040, 13-042 and 14-021. Such Notes are more fully discussed herein.
- Special Emergency Notes, the proceeds of which were used to rollover \$6,812,000 of notes issued in a prior year. The additional \$1,650,000 of new notes represents temporary funding of Ordinances Numbered 14-009. Such Notes are more fully discussed herein.



**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**SUMMARY OF MUNICIPAL DEBT (continued)**

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	<u>June 30, 2014</u>	<u>New Issues</u>	<u>Paid</u>	<u>June 30, 2015</u>
Issued:				
Serial Bonds	\$ 61,441,623	\$ -	\$ 3,917,146	\$ 57,524,477
Loans Payable:				
Green Acres Trust	1,876,178	323,103	119,615	2,079,666
Environmental Infrastructure				
Loan	<u>15,257,419</u>	<u>-</u>	<u>1,214,506</u>	<u>14,042,913</u>
Total	<u>\$ 78,575,220</u>	<u>\$ 323,103</u>	<u>\$ 5,251,267</u>	<u>\$ 73,647,056</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	<u>June 30, 2013</u>	<u>New Issues</u>	<u>Paid</u>	<u>June 30, 2014</u>
Issued:				
Serial Bonds	\$ 64,341,623	\$ -	\$ 2,900,000	\$ 61,441,623
Loans Payable:				
Green Acres Trust	959,785	968,755	52,362	1,876,178
Economic Development Agency	604,805	-	604,805	-
Demolition Loan Payable	45,000	-	45,000	-
Environmental Infrastructure				
Loan	<u>16,468,977</u>	<u>-</u>	<u>1,211,558</u>	<u>15,257,419</u>
Total	<u>\$ 82,420,190</u>	<u>\$ 968,755</u>	<u>\$ 4,813,725</u>	<u>\$ 78,575,220</u>

**Qualified Bonds**

Certain bonds of the City are issued pursuant to the Municipal Qualified Bond Act. Under this act, portions of State Aid revenues are withheld by the State of New Jersey and forwarded directly to paying agents for principal and interest payments of such bonds. The City is responsible to certify maturity schedules of the qualified bonds to the State. Qualified bonds are identified within each of bond schedules that follow. During the year ended June 30, 2015 and 2014, the State of New Jersey paid \$7,250,140 and \$4,971,459, respectively, of qualified bond interest and principal maturities directly to paying agents on behalf of the City in lieu of direct State Aid payments to the City.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**BONDS PAYABLE**

The City has outstanding at June 30, 2015 and 2014 various general serial bonds, which include pension, pension refunding, general refunding bonds and general improvement bonds. The following is a schedule of bond activity for the year ended June 30, 2015, and the short term liability for each issue.

Description	Balance June 30, 2014	Decrease	Balance June 30, 2015	Due by June 30, 2016
General Improvement Bonds	\$ 2,900,000	\$ 2,900,000	\$ -	\$ -
Issued 06/01/05 for \$18,999,000				
Maturing annually through Feb. 1, 2015				
General Improvement Bonds	11,240,000	-	11,240,000	2,100,000
Issued 06/15/09 for \$23,294,000				
Maturing annually on June 15 through 2020				
General Improvement Refunding Bonds	3,230,000	-	3,230,000	770,000
Issued 03/23/11 for \$3,230,000				
Maturing on March 15, 2016 and 2017				
Bearing interest rates of 3.25-3.5%				
Qualified General Refunding Bonds	8,015,000	-	8,015,000	-
Issued 03/20/13 for \$8,015,000				
Maturing in 2020 and 2021				
Bearing interest rates of 3-3.1%				
Qualified General Improvement Bonds	22,519,000	-	22,519,000	-
Issued 05/22/13 for \$22,519,000				
Maturing annually from 2022-2026				
Bearing interest rate of 5.0%				
Pension Obligation Refunding	3,492,623	1,017,146	2,475,477	1,001,640
Bonds Issued 04/03/03 for \$13,044,671				
Maturing annually an April 1 through 2021				
Bearing interest rate of 5.62-5.91%				
Pension Obligation Refunding	1,600,000	-	1,600,000	1,600,000
Bonds Issued 03/23/2011 for \$1,600,000				
Maturing on March 15, 2016				
Bearing interest rate of 4.9%				
Pension Obligation Refunding	4,875,000	-	4,875,000	-
Bonds Issued 03/30/2012 for \$4,875,000				
Maturing March 15, 2018 and 2019				
Bearing interest rate of 5.62-5.91%				
Qualified Pension Refunding Bonds	3,570,000	-	3,570,000	-
Issued 03/20/13 for \$3,570,000				
Maturing in 2019 and 2020				
Bearing interest rates of 4.2-5.15%				
	<u>\$ 61,441,623</u>	<u>\$ 3,917,146</u>	<u>\$ 57,524,477</u>	<u>\$ 5,471,640</u>

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**BONDS PAYABLE** (continued)

The following is a schedule of bond activity for the year ended June 30, 2014, and the short term liability for each issue.

Description	Balance June 30, 2013	Decrease	Balance June 30, 2014	Due by June 30, 2015
General Improvement Bonds	\$ 5,800,000	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000
Issued 06/01/05 for \$18,999,000				
Maturing annually through Feb. 1, 2015				
General Improvement Bonds	11,240,000	-	11,240,000	-
Issued 06/15/09 for \$23,294,000				
Maturing annually on June 15 through 2020				
General Improvement Refunding Bonds	3,230,000	-	3,230,000	-
Issued 03/23/11 for \$3,230,000				
Maturing on March 15, 2016 and 2017				
Bearing interest rates of 3.25-3.5%				
Qualified General Refunding Bonds	8,015,000	-	8,015,000	-
Issued 03/20/13 for \$8,015,000				
Maturing in 2020 and 2021				
Bearing interest rates of 3-3.1%				
Qualified General Improvement Bonds	22,519,000	-	22,519,000	-
Issued 05/22/13 for \$22,519,000				
Maturing annually from 2022-2026				
Bearing interest rate of 5.0%				
Pension Obligation Refunding	3,492,623	-	3,492,623	1,017,146
Bonds Issued 04/03/03 for \$13,044,671				
Maturing annually an April 1 through 2021				
Bearing interest rate of 5.62-5.91%				
Pension Obligation Refunding	1,600,000	-	1,600,000	-
Bonds Issued 03/23/2011 for \$1,600,000				
Maturing on March 15, 2016				
Bearing interest rate of 4.9%				
Pension Obligation Refunding	4,875,000	-	4,875,000	-
Bonds Issued 03/30/2012 for \$4,875,000				
Maturing March 15, 2018 and 2019				
Bearing interest rate of 5.62-5.91%				
Qualified Pension Refunding Bonds	3,570,000	-	3,570,000	-
Issued 03/20/13 for \$3,570,000				
Maturing in 2019 and 2020				
Bearing interest rates of 4.2-5.15%				
	<u>\$ 64,341,623</u>	<u>\$ 2,900,000</u>	<u>\$ 61,441,623</u>	<u>\$ 3,917,146</u>

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE**

**Green Acres Trust Loans**

The City has outstanding at June 30, 2015 and 2014 various Green Acres Trust Loans. The following table is a summary of the activity for such loans during the years ended June 30, 2015, and the short term liability at that time for each:

Description	Balance June 30, 2014	Increase	Decrease	Balance June 30, 2015	Due by June 30, 2016
Park Development Program Phase II Issued 07/26/94 for \$315,000 Maturing semi-annually through 2016 Bearing an interest rate of 2%	\$ 30,080	\$ -	\$ 19,953	\$ 10,127	\$ 10,127
Eastside Park Rehabilitation Issued 06/26/06 for \$231,650 Maturing semi-annually through 2026 Bearing an interest rate of 2%	153,002	-	11,401	141,601	11,630
Park Development Program Phase III Issued 06/26/06 for \$267,000 Maturing semi-annually through 2019 Bearing an interest rate of 2%	114,826	-	22,057	92,769	22,504
Restoration of Pennington Park Issued 12/9/13 for \$700,000 Maturing semi-annually through 2033 Bearing an interest rate of -0-%	700,000	-	35,900	664,100	35,897
Restoration of Pennington Park - Lower Field Issued 12/9/13for \$231,245 Maturing semi-annually through 2030 Bearing an interest rate of -0-%	500,000	-	30,304	469,696	30,303
Mary Ellen Kramer Park Improvements Not yet amortized. Project not completed.	378,270	323,103	-	701,373	-
	<u>\$ 1,876,178</u>	<u>\$ 323,103</u>	<u>\$ 119,615</u>	<u>\$ 2,079,666</u>	<u>\$ 110,461</u>

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**Green Acres Trust Loans** (continued)

The following table is a summary of the activity for such loans during the years ended June 30, 2014, and the short term liability at that time for each:

Description	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014	Due by June 30, 2015
Park Development Program Phase II Issued 07/26/94 for \$315,000 Maturing semi-annually through 2016 Bearing an interest rate of 2%	\$ 49,639	\$ -	\$ 19,559	\$ 30,080	\$ 19,953
Eastside Park Rehabilitation Issued 06/26/06 for \$231,650 Maturing semi-annually through 2026 Bearing an interest rate of 2%	164,179	-	11,177	153,002	11,401
Park Development Program Phase III Issued 06/26/06 for \$267,000 Maturing semi-annually through 2019 Bearing an interest rate of 2%	136,452	-	21,626	114,826	22,057
Restoration of Pennington Park Issued 12/9/13 for \$700,000 Maturing semi-annually through 2033 Bearing an interest rate of -0-%	-	700,000	-	700,000	35,900
Restoration of Pennington Park - Lower Field Issued 12/9/13for \$231,245 Maturing semi-annually through 2030 Bearing an interest rate of -0-%	231,245	268,755	-	500,000	30,304
Mary Ellen Kramer Park Improvements Not yet amortized. Project not completed.	378,270	-	-	378,270	-
	<u>\$ 959,785</u>	<u>\$ 968,755</u>	<u>\$ 52,362</u>	<u>\$ 1,876,178</u>	<u>\$ 119,615</u>

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**Demolition Loan**

The City had a loan from the State of New Jersey, Department of Community Affairs, for the Demolition of Unsafe Buildings. As of June 30, 2015 and 2014, there is no balance remaining on this loan, as the final payment for this loan was made during the fiscal year ended June 30, 2014. The following table summarizes the activity for such loan during the year then ended and the short term liability:

Description	Balance June 30, 2013	Decrease	Balance June 30, 2014	Due by June 30, 2015
Building Demolition Loan	\$ 45,000	\$ 45,000	\$ -	\$ -
Issued 01/26/05 for \$450,000				
Maturing annually through 2014				
Bearing an interest rate of -0-%				
	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ -</u>

**Economic Development Agency (EDA) Loan**

The City had a loan from the State of New Jersey Economic Development Agency. As of June 30, 2015 and 2014, there is no balance remaining on this loan, as the final payment for this loan was made during the fiscal year ended June 30, 2014. The following table summarizes the activity for such loan during the year then ended and the short term liability:

Description	Balance June 30, 2013	Decrease	Balance June 30, 2014	Due by June 30, 2015
EDA Loans	\$ 604,805	\$ 604,805	\$ -	\$ -
Originally Issued 10/26/93 and				
Revised 8/28/95, 6/8/99, 1/31/03 & 7/19/04				
Maturing annually through 2014				
Bearing an interest rates of 5.288%				
and 1.50% for school purposes				
	<u>\$ 604,805</u>	<u>\$ 604,805</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**NJ Environmental Infrastructure Trust Loan**

The City has outstanding at June 30, 2015 and 2014 various New Jersey Environmental Infrastructure Trust Loans. The following table summarizes the activity for such loans during the year ended June 30, 2015, and the short term liability for each loan:

Description	Balance June 30, 2014	Decrease	Balance June 30, 2015	Due by June 30, 2016
Trust Loan Series 2003A	\$ 1,360,000	\$ 110,000	\$ 1,250,000	\$ 115,000
Phase I, Issued 10/15/03				
For \$3,375,760				
State of NJ Fund Loan	2,558,826	290,368	2,268,458	290,282
Phase I, Issued 10/15/03				
For \$5,554,479				
Trust Loan Series 2004A	555,000	40,000	515,000	40,000
Phase II, Issued 10/13/04				
For \$1,286,526				
State of NJ Fund Loan	1,020,653	122,059	898,594	119,047
Phase II, Issued 10/13/04				
For \$2,326,943				
Trust Loan Series 2005A	700,000	45,000	655,000	50,000
Phase III, Issued 11/10/05				
For \$1,424,949				
State of NJ Fund Loan	1,275,350	136,136	1,139,214	141,414
Phase III, Issued 11/10/05				
For \$2,622,600				
Trust Loan Series 2008A	1,950,000	90,000	1,860,000	95,000
Phase IV, Issued 11/06/08				
For \$3,696,468				
State of NJ Fund Loan	4,965,168	334,299	4,630,869	334,965
Phase IV, Issued 11/06/08				
For \$6,568,205				
Trust Loan Series 2010A	455,000	20,000	435,000	20,000
Phase V, Issued 9/1/10				
For \$760,141				
State of NJ Fund Loan	417,422	26,644	390,778	26,644
Phase V, Issued 3/10/10				
For \$524,000				
	<u>\$ 15,257,419</u>	<u>\$ 1,214,506</u>	<u>\$ 14,042,913</u>	<u>\$ 1,232,352</u>

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**LOANS PAYABLE** (continued)

**NJ Environmental Infrastructure Trust Loan** (continued)

The following table summarizes the NJ Environmental Infrastructure Trust Loan activity during the year ended June 30, 2014, and the short term liability for each loan:

Description	Balance June 30, 2013	Decrease	Balance June 30, 2014	Due by June 30, 2015
Trust Loan Series 2003A Phase I, Issued 10/15/03 For \$3,375,760	\$ 1,465,000	\$ 105,000	\$ 1,360,000	\$ 110,000
State of NJ Fund Loan Phase I, Issued 10/15/03 For \$5,554,479	2,849,837	291,011	2,558,826	290,368
Trust Loan Series 2004A Phase II, Issued 10/13/04 For \$1,286,526	595,000	40,000	555,000	40,000
State of NJ Fund Loan Phase II, Issued 10/13/04 For \$2,326,943	1,146,100	125,447	1,020,653	122,059
Trust Loan Series 2005A Phase III, Issued 11/10/05 For \$1,424,949	745,000	45,000	700,000	45,000
State of NJ Fund Loan Phase III, Issued 11/10/05 For \$2,622,600	1,415,617	140,267	1,275,350	136,136
Trust Loan Series 2008A Phase IV, Issued 11/06/08 For \$3,696,468	2,035,000	85,000	1,950,000	90,000
State of NJ Fund Loan Phase IV, Issued 11/06/08 For \$6,568,205	5,298,357	333,189	4,965,168	334,299
Trust Loan Series 2010A Phase V, Issued 9/1/10 For \$760,141	475,000	20,000	455,000	20,000
State of NJ Fund Loan Phase V, Issued 3/10/10 For \$524,000	444,066	26,644	417,422	26,644
	<u>\$ 16,468,977</u>	<u>\$ 1,211,558</u>	<u>\$ 15,257,419</u>	<u>\$ 1,214,506</u>



**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**DEBT SERVICE REQUIREMENTS TO MATURITY**

The repayment schedule of annual debt service principal and interest for the next five years, and five-year increments there-after, for bonds and loans issued and outstanding is as follows:

**Schedule of Debt Service Requirements to Maturity As of June 30, 2015**

Year	General Serial Bonds			Loans Outstanding		
	Total	Principal	Interest	Total	Principal	Interest
2016	\$ 9,073,337	5,471,640	3,601,697	\$ 1,563,105	1,342,813	220,292
2017	9,144,909	5,608,837	3,536,072	1,556,881	1,351,649	205,232
2018	6,930,561	4,825,000	2,105,561	1,535,296	1,345,940	189,356
2019	7,439,772	5,535,000	1,904,772	1,547,729	1,375,391	172,338
2020	8,206,826	6,550,000	1,656,826	1,531,304	1,377,443	153,861
2021-2025	29,291,563	24,734,000	4,557,563	6,246,066	5,784,523	461,543
2026-2030	5,040,000	4,800,000	240,000	2,791,544	2,702,653	88,891
2029-2030	-	-	-	140,793	140,793	-
Not Yet Amortized				701,374	701,374	-
	<u>\$ 75,126,968</u>	<u>\$ 57,524,477</u>	<u>\$ 17,602,491</u>	<u>\$ 17,614,092</u>	<u>\$ 16,122,579</u>	<u>\$ 1,491,513</u>

**NOTES PAYABLE**

**Bond Anticipation Notes**

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes. The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date.

Included as bond anticipation notes, are tax appeal refunding issued in order to finance tax refunds arising from successful appeals by property owners. Taxpayers are obligated to pay taxes owed to the City as they become due, or have their property subject to tax sale. However, taxpayers may appeal their property assessments and, if successful, be granted a refund, often in a year subsequent to when the taxes were paid. The Division has allowed the City to issue notes to finance such refunds. The tax refunding notes are one year notes, renewable annually for five to seven years.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

NOTES PAYABLE (continued)

Bond Anticipation Notes – continued

The following is a schedule of bond anticipation note activity for the years ended June 30, 2015:

Ordinance Number	Original Issue: Date	Amount	Interest Rate %	Date of Maturity	Balance June 30, 2014	Notes Issued	Notes Refunded	Budget Appropriation	Balance June 30, 2015
Tax Appeal Refunding									
11-014	06/10/11	\$ 3,250,000	1.25%	06/03/15	\$ 1,300,000	\$ -	\$ (650,000)	\$ 650,000	\$ -
11-014	06/10/11	3,250,000	5.00%	12/15/15	-	-	650,000	-	650,000
12-025	06/28/12	3,300,000	1.25%	06/03/15	1,980,000	-	(1,320,000)	660,000	-
12-025	06/28/12	3,300,000	5.00%	12/15/15	-	-	1,320,000	-	1,320,000
13-005	06/04/13	1,400,000	1.25%	06/03/15	933,000	-	(466,000)	467,000	-
13-005	06/04/13	1,400,000	1.50%	06/04/14	-	-	466,000	-	466,000
14-021	06/26/14	3,300,000	1.25%	06/03/15	3,300,000	-	(2,200,000)	1,100,000	-
14-021	06/26/14	3,300,000	5.00%	12/15/15	-	-	2,200,000	-	2,200,000
Various Capital Improvements									
13-042	06/03/14	4,830,000	1.25%	06/03/15	4,830,000	-	(4,830,000)	-	-
13-042	06/03/14	4,830,000	5.00%	12/15/15	-	-	4,830,000	-	4,830,000
Sewer Reconstruction									
13-040	06/03/14	2,665,000	1.25%	06/03/15	2,665,000	-	(2,665,000)	-	-
13-040	06/03/14	2,665,000	5.00%	12/15/15	-	-	2,665,000	-	2,665,000
Resurfacing of Various Roads									
14-042	06/03/15	11,665,000	5.00%	12/15/15	-	11,665,000	-	-	11,665,000
					<u>\$ 15,008,000</u>	<u>\$ 11,665,000</u>	<u>\$ -</u>	<u>\$ 2,877,000</u>	<u>\$ 23,796,000</u>

The following is a schedule of bond anticipation note activity for the years ended June 30, 2014:

Ordinance Number	Original Issue: Date	Amount	Interest Rate %	Date of Maturity	Balance June 30, 2013	Notes Issued	Notes Refunded	Budget Appropriation	Balance June 30, 2014
Tax Appeal Refunding									
11-014	06/10/11	\$3,250,000	1.25%	06/03/15	\$ -	\$ -	\$ 1,300,000	\$ -	\$ 1,300,000
11-014	06/10/11	3,250,000	1.50%	06/04/14	1,950,000	-	(1,300,000)	650,000	-
12-025	06/28/12	3,300,000	1.25%	06/03/15	-	-	1,980,000	-	1,980,000
12-025	06/28/12	3,300,000	1.50%	06/04/14	2,640,000	-	(1,980,000)	660,000	-
13-005	06/04/13	1,400,000	1.25%	06/03/15	-	-	933,000	-	933,000
13-005	06/04/13	1,400,000	1.50%	06/04/14	1,400,000	-	(933,000)	467,000	-
14-021	06/26/14	3,300,000	1.25%	06/03/15	-	3,300,000	-	-	3,300,000
Various Capital Improvements									
13-042	06/03/14	4,830,000	1.25%	06/03/15	-	4,830,000	-	-	4,830,000
Sewer Reconstruction									
13-040	06/03/14	2,665,000	1.25%	06/03/15	-	2,665,000	-	-	2,665,000
					<u>\$ 5,990,000</u>	<u>\$ 10,795,000</u>	<u>\$ -</u>	<u>\$ 1,777,000</u>	<u>\$ 15,008,000</u>

# CITY OF PATERSON

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

#### NOTE D. MUNICIPAL DEBT (continued)

#### NOTES PAYABLE (continued)

##### Special Emergency Notes

Statutes allow the City to adopt ordinances authorizing special emergency appropriations for the carrying out of certain specific purposes, including the revaluation of real property and contractually required severance liabilities resulting from the layoff or retirement of employees. Statutes further provide for the borrowing of money and the issuance of Special Emergency Notes to finance such special emergency appropriations, which may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid in each year, so that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of the emergency resolution.

The following is a schedule of special emergency note activity for the year ended June 30, 2015:

Ord. / Reso. Number	Original Issue:		Interest Rate %	Date of Maturity	Balance June 30, 2014	Notes Issued	Notes Refunded	Budget Appropriation	Balance June 30, 2015
	Date	Amount							
Revaluation									
13-011	03/26/2013	\$ 2,100,000	3.750%	12/15/15	\$ -	\$ -	\$ 1,260,000	\$ -	\$ 1,260,000
13-011	03/26/2013	2,100,000	1.500%	06/03/15	1,680,000	-	(1,260,000)	420,000	-
Insurance									
15-041	06/03/2015	3,955,000	3.750%	12/15/15	-	3,955,000	-	-	3,955,000
Debt Service									
15-041	06/03/2015	3,955,000	3.750%	12/15/15	-	440,000	-	-	440,000
Accrued Sick and Vacation Time									
Tax Exempt Notes									
11-011	02/08/2011	A 1,837,200	1.500%	06/03/15	664,400	-	(226,000)	438,400	-
11-011	02/08/2011	1,837,200	3.750%	12/15/15	-	-	226,000	-	226,000
12-012	02/14/2012	B 2,124,000	1.500%	06/03/15	1,274,400	-	(849,600)	424,800	-
12-012	02/14/2012	2,124,000	3.750%	12/15/15	-	-	849,600	-	849,600
12-051	12/18/2012	C 1,334,000	1.500%	06/03/15	1,067,200	-	(800,400)	266,800	-
12-051	12/18/2012	1,334,000	3.750%	12/15/15	-	-	800,400	-	800,400
14-009	06/03/2015	D 1,150,000	1.500%	06/03/15	1,150,000	-	(920,000)	230,000	-
14-009	06/03/2015	1,150,000	3.750%	12/15/15	-	-	920,000	-	920,000
Accrued Sick and Vacation Time									
Federally Taxable Notes									
11-011	02/08/2011	A 2,192,800	1.500%	06/03/15	947,600	-	(580,000)	367,600	-
11-011	02/08/2011	2,192,800	3.750%	12/15/15	-	-	580,000	-	580,000
12-012	02/14/2012	B 716,000	1.500%	06/03/15	429,600	-	(286,400)	143,200	-
12-012	02/14/2012	716,000	3.750%	12/15/15	-	-	286,400	-	286,400
12-051	12/18/2012	C 936,000	1.500%	06/03/15	748,800	-	(561,600)	187,200	-
12-051	12/18/2012	936,000	3.750%	12/15/15	-	-	561,600	-	561,600
14-009	06/03/2015	D 500,000	1.500%	06/03/15	500,000	-	(400,000)	100,000	-
14-009	06/03/2015	500,000	3.750%	12/15/15	-	-	400,000	-	400,000
Total Ord. 11-011	\$ 4,030,000	A							
Total Ord. 12-012	\$ 2,840,000	B			\$ 8,462,000	\$ 4,395,000	\$ -	\$ 2,578,000	\$ 10,279,000
Total Ord. 12-051	\$ 2,270,000	C							
Total Ord. 14-009	\$ 1,650,000	D							

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

NOTES PAYABLE (continued)

Special Emergency Notes (continued)

The following is a schedule of special emergency note activity for the year ended June 30, 2014:

Ord. / Reso. Number	Original Issue:		Interest Rate %	Date of Maturity	Balance June 30, 2013	Notes Issued	Notes Refunded	Budget Appropriation	Balance June 30, 2014
	Date	Amount							
Revaluation									
13-011	03/26/2013	\$ 2,100,000	2.000%	06/04/14	\$ 2,100,000	\$ -	\$ (1,680,000)	\$ 420,000	\$ -
13-011	03/26/2013	2,100,000	1.500%	06/03/15	-	-	1,680,000	-	1,680,000
Accrued Sick and Vacation Time									
Tax Exempt Notes									
11-011	02/08/2011	A 1,837,200	1.500%	06/03/15	-	-	664,400	-	664,400
11-011	02/08/2011	1,837,200	2.000%	06/04/14	1,102,800	-	(664,400)	438,400	-
12-012	02/14/2012	B 2,124,000	1.500%	06/03/15	-	-	1,274,400	-	1,274,400
12-012	02/14/2012	2,124,000	2.000%	06/04/14	1,699,200	-	(1,274,400)	424,800	-
12-051	12/18/2012	C 1,334,000	1.500%	06/03/15	-	-	1,067,200	-	1,067,200
12-051	12/18/2012	1,334,000	2.000%	06/04/14	1,334,000	-	(1,067,200)	266,800	-
14-009	06/03/2015	D 1,150,000	1.500%	06/03/15	-	1,150,000	-	-	1,150,000
Accrued Sick and Vacation Time									
Federally Taxable Notes									
11-011	02/08/2011	A 2,192,800	1.500%	06/03/15	-	-	947,600	-	947,600
11-011	02/08/2011	2,192,800	2.125%	06/04/14	1,315,200	-	(947,600)	367,600	-
12-012	02/14/2012	B 716,000	1.500%	06/03/15	-	-	429,600	-	429,600
12-012	02/14/2012	716,000	2.125%	06/04/14	572,800	-	(429,600)	143,200	-
12-051	12/18/2012	C 936,000	1.500%	06/03/15	-	-	748,800	-	748,800
12-051	12/18/2012	936,000	2.125%	06/04/14	936,000	-	(748,800)	187,200	-
14-009	06/03/2015	D 500,000	1.500%	06/03/15	-	500,000	-	-	500,000
Total Ord. 11-011	\$ 4,030,000	A							
Total Ord. 12-012	\$ 2,840,000	B			\$ 9,060,000	\$ 1,650,000	\$ -	\$ 2,248,000	\$ 8,462,000
Total Ord. 12-051	\$ 2,270,000	C							
Total Ord. 14-009	\$ 1,650,000	D							

SETTLEMENT PAYABLE

In January 2004, the State of New Jersey, Department of Environmental Protection received a judgment against the City for violation of the Water Pollution Control Act, as a result of the City's failure to comply with the terms of its New Jersey Pollutant Discharge Elimination System Permit ("NJPDES Permit") for discharge from its combined sewer system to surface water, by virtue of the City's failure to complete the design and construction activities required by the NJPDES permit. As a result the City was required to pay a penalty of \$7,500, an economic benefit assessment of \$371,669 and an additional penalty of \$40,000 for a total of \$419,169. The payments are made by ten annual installments of \$41,917, commencing November 1, 2004 and ending November 1, 2013. The final payment was made during the year ended June 30, 2014, leaving a balance of \$-0- thereafter.

# CITY OF PATERSON

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

#### NOTE D. MUNICIPAL DEBT (continued)

##### BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

The following activity relates to bonds and notes authorized but not issued during the year ended June 30, 2015 in the City's General Capital Fund:

Ordinance Number	Improvement Description	Balance June 30, 2014	Authorized	Debt Issued	Cancelled	Balance June 30, 2015
05-005	Combined Sewer Out Flow Phase III	\$ 7,405,195	\$ -	\$ -	\$ -	\$ 7,405,195
06-001	Various Park Improvements	859,093	-	-	323,103	535,990
08-021	ATP Site Park Improvements	783,665	-	-	-	783,665
13-041	Great Falls and Pocket Parks	348,000	-	-	-	348,000
14-042	Tax Appeal Refunding	-	35,000,000	11,665,000	-	23,335,000
		<u>\$ 9,395,953</u>	<u>\$ 35,000,000</u>	<u>\$ 11,665,000</u>	<u>\$ 323,103</u>	<u>\$ 32,407,850</u>

The following activity relates to bonds and notes authorized but not issued during the year ended June 30, 2014 in the City's General Capital Fund:

Ordinance Number	Improvement Description	Balance June 30, 2013	Authorized	Debt Issued	Cancelled	Balance June 30, 2014
05-005	Combined Sewer Out Flow Phase III	\$ 7,405,195	\$ -	\$ -	\$ -	\$ 7,405,195
06-001	Various Park Improvements	859,093	-	-	-	859,093
08-021	ATP Site Park Improvements	783,665	-	-	-	783,665
08-022	Pennington Park Improvements	968,755	-	968,755	-	-
13-001	Debt Restructuring	15,000	-	-	15,000	-
13-040	Sewer Reconstruction	-	2,665,000	2,665,000	-	-
13-041	Great Falls and Pocket Parks	-	348,000	-	-	348,000
13-042	Various Capital Improvements	-	4,830,000	4,830,000	-	-
14-021	Tax Appeal Refunding	-	3,300,000	3,300,000	-	-
		<u>\$ 10,031,708</u>	<u>\$ 11,143,000</u>	<u>\$ 11,763,755</u>	<u>\$ 15,000</u>	<u>\$ 9,395,953</u>

##### SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement.

At June 30, 2015: Net Debt of \$127,375,429 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$6,816,826,441 = 1.869%.

	Gross Debt	Deductions	Net Debt
Local School District	\$ -	\$ -	\$ -
General Debt	129,850,906	2,475,477	127,375,429
	<u>\$ 129,850,906</u>	<u>\$ 2,475,477</u>	<u>\$ 127,375,429</u>

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE D. MUNICIPAL DEBT (continued)**

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT** (continued)

At June 30, 2014: Net Debt of \$99,486,550 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$7,191,684,083 = 1.383%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ -	\$ -	\$ -
General Debt	<u>102,979,173</u>	<u>3,492,623</u>	<u>99,486,550</u>
	<u>\$ 102,979,173</u>	<u>\$ 3,492,623</u>	<u>\$ 99,486,550</u>

Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

**BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED**

	<u>At June 30,</u>	
	<u>2015</u>	<u>2014</u>
Three-Year Average Equalized Valuation	<u>\$ 6,816,826,441</u>	<u>\$ 7,191,684,083</u>
3-1/2% of Equalized Valuation Basis	<u>\$ 238,588,925</u>	<u>\$ 251,708,943</u>
Less: Net Debt	<u>127,375,429</u>	<u>99,486,550</u>
Excess Borrowing Power	<u>\$ 111,213,496</u>	<u>\$ 152,222,393</u>

**NOTE E. FUND BALANCES APPROPRIATED**

Fund balance of the City consists of cash surplus and non-cash surplus. The City can anticipate fund balance to support its budget of the succeeding year, however, the use of non-cash surplus is subject to the prior written consent of the Division. Fund balances at June 30, 2015 and 2014 which were appropriated and included as anticipated revenue in the current fund budget of the succeeding year were as follows:

	<u>Fund Balance</u> <u>June 30, 2015</u>	<u>Utilized in</u> <u>FY16 Budget</u>	<u>Fund Balance</u> <u>June 30, 2014</u>	<u>Utilized in</u> <u>FY15 Budget</u>
Current Fund	\$ 863,552	\$ 190,400	\$ 2,763,552	\$ 1,900,000
Capital Fund	61,711	3,110,111 (1)	1,525,286	-
Trust Fund	7,904	7,904	12,235	11,000

(1) This amount includes premiums received on the sale of bonds in Fiscal Year 2016.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE F. FIXED ASSETS**

In accordance with accounting practices prescribed by the Division, and as further detailed in Note A, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Fixed assets were not updated by the City during the years ended June 30, 2015 and 2014, therefore there is no activity to report. The City had the following investment balances in general fixed assets as of and for the years then ended:

	Balance, June 30, 2014	Balance, June 30, 2015
Land	\$ 3,257,443	\$ 3,257,443
Building	39,034,660	39,034,660
Machinery and Equipment	20,197,935	20,197,935
	<u>\$ 62,490,038</u>	<u>\$ 62,490,038</u>

**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION**

Substantially all City employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPPF), Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey, with the exception of the CPFPPF, which is a single employer plan. The CPFPPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

In addition, certain employees participate in the City's Deferred Compensation Plan.

**STATE-MANAGED PENSION PLANS – CPFPPF**

The Consolidated Police and Fireman's Pension Fund (CPFPPF) is a single employer contributory defined benefit plan which was established on January 1, 1952, under the provisions of N.J.S.A. 43:16 to provide retirement, death and disability benefits to county and municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members. The City currently only makes contributions for its retirees who are enrolled in this pension fund. During the year ended June 30, 2015, the City contribution was a net reimbursement. During the years ended June 30, 2014 and 2013, the City contributed \$2,019 and \$4,666, respectively.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

**STATE-MANAGED PENSION PLANS - PERS**

**Plan Description and Eligibility**

The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of \$1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 3 employees must earn a base salary that is annually adjusted. For the fiscal year ended June 30, 2015 and 2014 this base salary amount was \$8,200 and \$8,100, respectively. Employees earning between \$5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 4 and 5 employees do not have a minimum salary requirement to enroll, but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over \$5,000 are eligible to enroll in DRCP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.



**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PERS (continued)

**Plan Benefits**

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 64. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

**Contributions and Liability**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the City and its employees for the previous three years are as follows:

Year Ended June 30,	City Contribution		Base Wages Subject to Contributions	Employee Contributions	
	Amount Paid or Charged	As a Percentage of Base Wages		As a Percentage of Base Wages	Amount Contributed
2015	\$ 2,802,316	11.6%	\$ 24,123,974	6.92%	\$ 1,669,191
2014	2,686,259	11.6%	23,193,846	6.78%	1,572,741
2013	3,008,786	13.3%	22,631,751	6.64%	1,502,736

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PERS (continued)

**Contributions and Liability (continued)**

The net pension liability was measured as of June 30, 2015 and 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015 and 2014, the City's net pension liability for PERS, including the City's proportionate share, was as follows:

Year Ended June 30,	Proportionate Share		Net Pension Liability
	Rate	Change	
2015	0.36024%	0.03489%	\$ 80,866,378
2014	0.32535%	-0.01986%	60,914,907

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability of the as of June 30, 2015 and 2014, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

At:	2015		2014	
	Rate	Amount	Rate	Amount
1% Decrease	3.90%	\$ 100,507,013	4.39%	\$ 76,633,027
Current Discount Rate	4.90%	80,866,378	5.39%	60,914,907
1% Increase	5.90%	64,399,811	6.39%	47,715,686

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 and June 30, 2014 measurement dates were determined by actuarial valuations as of July 1, 2014 and 2013, respectively, which were rolled forward to June 30, 2015 and 2014, respectively. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PERS (continued)

**Actuarial Assumptions (continued)**

	For Measurement Date of:	
	June 30, 2015	June 30, 2014
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.15-4.40%	2.15-4.40%
	based on age	based on age
Thereafter	3.15-5.40%	3.15-5.40%
	based on age	based on age
Investment Rate of Return	7.90%	7.90%

*Mortality* - For the June 30, 2015 Measurement Date, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements will be.

For the June 30, 2014 Measurement Date, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PERS (continued)

**Actuarial Assumptions (continued)**

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015 and 2014) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS target asset allocations as of June 30, 2015 and 2014 are summarized in the following table:

Asset Class	Target Allocation June 30,		Long-Term Expected Real Rate of Return June 30,	
	2015	2014	2015	2014
Cash	5.00%	6.00%	1.04%	0.80%
U.S. Treasuries	1.75%	*	1.64%	*
Investment Grade Credit	10.00%	*	1.79%	*
Mortgages	2.10%	2.50%	1.62%	2.17%
High Yield Bonds	2.00%	5.50%	4.03%	4.82%
Inflation-Indexed Bonds	1.50%	9.00%	3.25%	3.51%
Broad U.S. Equities	27.25%	25.90%	8.52%	8.22%
Developed Foreign Equities	12.00%	12.70%	6.88%	8.12%
Emerging Market Equities	6.40%	6.50%	10.00%	9.91%
Private Equity	9.25%	8.25%	12.41%	13.02%
Hedge Funds / Absolute Return	12.00%	12.25%	4.72%	4.92%
Real Estate (Property)	2.00%	3.20%	6.83%	5.80%
Commodities	1.00%	2.50%	5.32%	5.35%
Global Debt ex U.S.	3.50%	*	-0.40%	*
REIT	4.25%	*	5.12%	*
Core Bonds	*	1.00%	*	2.49%
Intermediate-Term Bonds	*	11.20%	*	2.26%

**CITY OF PATERSON**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PERS (continued)

**Actuarial Assumptions (continued)**

*Discount Rate* - The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blend discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Deferred Outflows and Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended June 30, 2015 and 2014:

	June 30, 2015			June 30, 2014		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 8,684,403	\$ -	\$ 8,684,403	\$ 1,915,492	\$ -	\$ 1,915,492
Difference Between Expected and Actual Experience	1,929,188	-	1,929,188	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,300,176	1,300,176	-	(3,630,197)	(3,630,197)
Subtotal	10,613,591	1,300,176	\$ 11,913,767	1,915,492	(3,630,197)	\$ (1,714,705)
Changes in Proportion	5,541,461	2,616,372		-	(3,205,644)	
	<u>\$ 16,155,052</u>	<u>\$ 3,916,548</u>		<u>\$ 1,915,492</u>	<u>\$ (6,835,841)</u>	

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PERS (continued)

**Deferred Outflows and Inflows of Resources (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ 2,367,687
2017	2,367,687
2018	2,367,687
2019	3,275,236
2020	1,535,470
Thereafter	<u>-</u>
	<u><u>\$ 11,913,767</u></u>

STATE-MANAGED PENSION PLANS - PFRS

**Plan Description and Eligibility**

The PFRS was established in July, 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is noted as follows:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and federal pensionable maximum for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

**CITY OF PATERSON**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

**Plan Benefits**

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Contributions and Liability**

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the City and its employees for the previous three years are as follows:

Year Ended June 30,	City Contribution		Base Wages Subject to Contributions	Employee Contributions	
	Amount Paid or Charged	As a Percentage of Base Wages		As a Percentage of Base Wages	Amount Contributed
2015	\$ 17,469,627	26.5%	\$ 65,874,442	10.00%	\$ 6,587,213
2014	15,196,955	23.2%	65,298,719	10.00%	6,529,802
2013	17,694,666	28.2%	62,847,572	10.00%	6,284,445

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

**CITY OF PATERSON**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PFRS (continued)

**Contributions and Liability (continued)**

The amounts contributed on behalf of the City under this legislation are considered to be a special funding situation. As such, the State is treated as a non-employer contributing entity. Since the City does not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability to report in the financial statements of the City related to this legislation. However, the notes to the financial statements of the City must disclose the portion of the State's total proportionate share of the collective net pension liability that is associated with the City.

The net pension liability was measured as of June 30, 2015 and 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

At June 30, 2015 and 2014, the City's net pension liability for PFRS, including the special funding situation described above and changes in the City's proportionate share, was as follows:

Year Ended June 30,	Unit	City (employer)		Net Pension Liability	State of N.J. (nonemployer)	Total
		Proportionate Share Rate	Change		On-Behalf of City	
2015	Police	1.11531%	-0.00181%	\$ 185,772,368	\$ 16,291,613	\$ 202,063,981
2015	Fire	0.94849%	0.04024%	157,985,782	13,854,823	171,840,605
2015	Total	*	*	<u>\$ 343,758,150</u>	<u>\$ 30,146,436</u>	<u>\$ 373,904,586</u>
2014	Police	1.11712%	0.00997%	\$ 140,523,774	\$ 15,132,049	\$ 155,655,823
2014	Fire	0.90825%	0.04044%	114,249,110	12,302,709	126,551,819
2014	Total	*	*	<u>\$ 254,772,884</u>	<u>\$ 27,434,758</u>	<u>\$ 282,207,642</u>



**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PFRS (continued)

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability of the as of June 30, 2015 and 2014, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

At:	2015		2014	
	Rate	Amount	Rate	Amount
1% Decrease	4.79%	\$ 453,182,376	5.32%	\$ 343,339,224
Current Discount Rate	5.79%	343,758,150	6.32%	254,772,884
1% Increase	6.79%	254,532,470	7.32%	181,574,979

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 and June 30, 2014 measurement dates were determined by actuarial valuations as of July 1, 2014 and 2013, respectively, which were rolled forward to June 30, 2015 and 2014, respectively. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following actuarial assumptions:

	For Measurement Date of:	
	June 30, 2015	June 30, 2014
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.60-9.48%	3.95-8.62%
	based on age	based on age
Thereafter	3.60-10.48%	4.95-9.62%
	based on age	based on age
Investment Rate of Return	7.90%	7.90%

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PFRS (continued)

**Actuarial Assumptions (continued)**

*Mortality* - For the June 30, 2015 Measurement Date, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year 2014 based on Projection Scale BB. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

For the June 30, 2014 Measurement Date, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

*Discount Rate* - The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blend discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PFRS (continued)

**Actuarial Assumptions (continued)**

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015 and 2014) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2015 and 2014 are summarized in the following table:

Asset Class	Target Allocation June 30,		Long-Term Expected Real Rate of Return June 30,	
	2015	2014	2015	2014
Cash	5.00%	6.00%	1.04%	0.80%
U.S. Treasuries	1.75%	*	1.64%	*
Investment Grade Credit	10.00%	*	1.79%	*
Mortgages	2.10%	2.50%	1.62%	2.17%
High Yield Bonds	2.00%	5.50%	4.03%	4.82%
Inflation-Indexed Bonds	1.50%	9.00%	3.25%	3.51%
Broad U.S. Equities	27.25%	25.90%	8.52%	8.22%
Developed Foreign Equities	12.00%	12.70%	6.88%	8.12%
Emerging Market Equities	6.40%	6.50%	10.00%	9.91%
Private Equity	9.25%	8.25%	12.41%	13.02%
Hedge Funds / Absolute Return	12.00%	12.25%	4.72%	4.92%
Real Estate (Property)	2.00%	3.20%	6.83%	5.80%
Commodities	1.00%	2.50%	5.32%	5.35%
Global Debt ex U.S.	3.50%	*	-0.40%	*
REIT	4.25%	*	5.12%	*
Core Bonds	*	1.00%	*	2.49%
Intermediate-Term Bonds	*	11.20%	*	2.26%

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PFRS (continued)

**Deferred Outflows and Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the years ended June 30, 2015 and 2014:

	June 30, 2015			June 30, 2014		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 63,466,294	\$ -	\$ 63,466,294	\$ 9,565,040	\$ -	\$ 9,565,040
Difference Between Expected and Actual Experience	-	(2,965,024)	(2,965,024)	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(5,982,809)	(5,982,809)	-	(25,998,717)	(25,998,717)
Subtotal	\$ 63,466,294	\$ (8,947,833)	\$ 54,518,461	\$ 9,565,040	\$ (25,998,717)	\$ (16,433,677)
Changes in Proportion	8,943,120	(198,529)		5,614,637	-	
	<u>\$ 72,409,414</u>	<u>\$ (9,146,362)</u>		<u>\$ 15,179,677</u>	<u>\$ (25,998,717)</u>	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ 10,382,095
2017	10,382,095
2018	10,382,095
2019	16,881,774
2020	6,490,402
Thereafter	-
	<u>\$ 54,518,461</u>

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

**STATE-MANAGED PENSION PLANS - GENERAL**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

The State of New Jersey issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**PERS and PFRS Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net position are available in the separately issued financial reports. These reports may be accessed via the New Jersey Division of Pension and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**STATE-MANAGED PENSION PLANS – PENSION DEFERRAL**

Legislation, known as Chapter 19 of the Public Laws of 2009 (P.L. 2009, c. 19), was enacted and effective on March 17, 2009 allowing for an adjustment in the contributions that local employers, such as the City, must make to the PERS and PFRS during the year ended June 30, 2009. Under this legislation, local governments were given the option to defer exactly 50% of their required pension contribution as certified by the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits or pay the full amount of the required contribution for the year ended June 30, 2009.

**CITY OF PATERSON**  
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**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

STATE-MANAGED PENSION PLANS – PENSION DEFERRAL (continued)

The City elected the 50% deferral totaling \$5,603,902, consisting of \$2,475,570 for PFRS and \$3,128,332 for PERS. Under the terms of the pension deferral the City is obligated to commence repayment of the entire deferral in 15 amortized annual installments, commencing April 1, 2012 and ending April 1, 2026. These payments will be added to the regular pension bills. The amount of the deferral paid during the years ended June 30, 2015 and 2014, as well as the short term liability of the deferral, are as follows:

	Combined Interest and Principal		
	Paid During Year Ended June 30,		Due April 1,
	2015	2014	2016
PERS	\$ 125,407	\$ 122,590	\$ 126,186
PFRS	841,222	824,968	843,717
Total	<u>\$ 966,629</u>	<u>\$ 947,558</u>	<u>\$ 969,903</u>

DEFINED CONTRIBUTION RETIREMENT PROGRAM

The DCRP was established under the provisions of P.L. 2007, Chapters 92 and 103 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. It provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed to new office on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limit and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that earn below the minimum PERS or PFRS salary but more than \$5,000 annually.

Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)**

DEFINED CONTRIBUTION RETIREMENT PROGRAM (continued)

Members are covered by employer-paid life insurance in the amount of 1 ½ times the annual base salary on which DCRP contributions was based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments.

The following table represents the City and employee contributions during the previous three years:

Year Ended June 30,	Employee Contributions		City Contributions	
	Amount	As a Percentage of Base Payroll	Amount	As a Percentage of Base Payroll
2015	\$ 46,922	5.5%	\$ 28,153	3.0%
2014	33,632	5.5%	20,179	3.0%
2013	39,343	5.5%	23,606	3.0%

DEFERRED COMPENSATION PLAN (unaudited)

The City has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The deferred compensation program is a Public Employees' Deferred Compensation Plan, covering employees and elected officials who perform services for the City. The plan is underwritten by three sponsors: The Hartford, Variable Annuity Life Insurance Company and AXA Equitable Life Insurance Company.

The Plan is a tax-deferred supplemental retirement program that allows City employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the individual contributors and are not subject to the claims of the City's general creditors.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE H. POST RETIREMENT BENEFITS**

**Plan Description and Eligibility**

The City currently offers postretirement medical, prescription drug and dental coverage for employees and their eligible dependents who retire on a paid pension under the following conditions:

- After twenty-five years of service with the City; or
- After fifteen years of service with the City at age 62 or older; or
- On ordinary disability pension with not less than five years of service; or
- On accidental disability upon total and permanent disability prior to age 65 and, in the case of police and fire personnel, upon permanent incapacitation from the performance of usual and available duties as a result of injury during the performance of regular duties.

Eligible City retirees and their dependents may continue health care coverage through the City for life. Medicare Part B premiums are reimbursed for Medicare eligible retirees only (not spouses).

Upon the death of the retiree, the surviving spouse and dependent children under the age of 26 shall be entitled to remain enrolled in the City's medical, prescription drug and dental plans. Generally, coverage ceases upon spouse death, remarriage or, in the case of public employees, when the spouse reaches age 65.

**Funding Policy**

The City accounts for these post retirement benefits on a pay-as-you-go basis. Expenditures during the years ended June 30, 2015, June 30, 2014 and June 30, 2013, amounted to \$18,554,360, \$18,566,248 and \$15,657,954, respectively. The number of employees eligible to receive benefits as of June 30, 2015, June 30, 2014 and June 30, 2013 were 922, 848 and 860, respectively.

Under GASB Statement 45 the City would recognize the cost of other post-employment benefits in the year when the employee services are received, report the accumulated liability from prior years, and provide information useful in assessing potential demands on the City's future cash flows. The accumulated liability from prior years is phased in over the 30 year period beginning the year ended June 30, 2008. However, since the City is using the modified accrual basis of accounting as prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, the City is not required to show any accrued liability on the face of its financial statements, only to the notes to those financial statements.



**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE H. POST RETIREMENT BENEFITS (continued)**

**Retiree Contributions**

Future retirees who do not fall under the grandfathering provisions of Chapter 78 of the 2011 Pension and Health Benefit Reforms will be required to contribute to the costs of their retiree health care. Participant contributions are based on salary level and pension benefit amounts and are phased in as a percentage based on salary or pension earnings.

Grandfathered participants include those with greater than 20 years of service as of June 28, 2011 who retire with 25 years of service with the City, or who reached age 62 as of that date with 15 years of service will receive benefits at no cost to the participant.

Per the valuation report referenced below, a 25% contribution rate was applied assumption for future retirees not grandfathered under the grandfathering clauses noted above.

**Actuarial Valuation Results**

The following information was obtained from the “Actuarial Valuation For GASB 45 Purposes For the Fiscal Year Ended June 30, 2015” as Prepared by HayGroup and dated June, 2016, with calculations made as of July 1, 2014.

The Unfunded Actuarial Accrued Liability was determined to be as follows:

<u>Post-Retirement Medical Valuation</u>	
Actuarial Accrued Liability	
Retired	\$ 264,830,936
Active	<u>361,595,666</u>
Unfunded Actuarial Accrued Liability	<u><u>626,426,602</u></u>
Discount Rate	4.25%
Normal Cost	\$ 24,190,201

In the above table, retired employees include their dependents, and active employees are those employees expected to receive benefits and their dependents.

The City’s Annual OPEB Cost and Annual Required Contribution, as of July 1, 2014, were \$51,926,898 and \$52,337,205, respectively.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE H. POST RETIREMENT BENEFITS (continued)**

**Actuarial Valuation Results (continued)**

Development of the Net OPEB Obligation	
Normal Cost	\$ 24,190,201
Amortization of Unfunded Actuarial Accrued Liability over 30 Years	28,147,004
Annual Required Contribution	52,337,205
Interest on Unfunded Annual Required Contribution	7,168,354
Adjustments to Annual Required Contribution	(7,578,661)
Annual OPEB Cost	51,926,898
Actuarial Contribution Determination	18,691,613
Increase in Net OPEB Obligation	33,235,285
Net OPEB Obligation, Beginning of Year	168,667,148
Net OPEB Obligation, End of Year	<u>\$ 201,902,433</u>

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actual Liability (UAAL) (b-a)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	\$ -	\$ 459,972,345	\$ 459,972,345	0.0%	\$ 108,494,586	424.0%
7/1/2011	-	420,814,863	420,814,863	0.0%	106,377,667	395.6%
7/1/2012	-	420,814,863	420,814,863	0.0%	102,458,860	410.7%
7/1/2013	-	420,814,863	420,814,863	0.0%	106,783,290	394.1%
7/1/2014	-	626,426,602	626,426,602	0.0%	*	*

Schedule of Employer Contributions				
Fiscal Year Ending	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
6/30/2011	\$ 40,161,913	\$ 14,042,643	35.0%	\$ 118,316,825
6/30/2012	32,976,600	14,587,871	44.2%	136,705,554
6/30/2013	32,976,600	15,444,032	46.8%	154,238,122
6/30/2014	32,976,600	18,547,574	56.2%	168,667,148
6/30/2015	51,926,898	18,691,613	36.0%	201,902,433

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE H. POST RETIREMENT BENEFITS (continued)**

**Actuarial Valuation Results (continued)**

The actuarial assumptions used to value the City's post-employment benefits are of three types, economic, medical and demographic.

*Economic assumptions* - include the discount rate, or rate of return on investments, and health care cost trend rates and account for changes in the costs of benefits over time and the time value of money. The actuarial valuation assumes the City will continue to pay for benefits on a pay-as-you-go basis and continue to not fund the plan. The discount rate used, 4.25%, is based on the rate of return of the City's general assets, since there are no plan assets. Health care cost trend rates were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. Assumptions used as inputs in this model include a 2.5% rate of inflation, a 1.0% rate of growth in real income/GDP per capita, a 1.4 income multiplier for health spending, a 1.1% extra trend due to technology and other factors, a 25% health share of GDP resistance point and a the year 2075 as the year for limiting cost growth to GDP growth. Health care trend rates through the year 2080 and later assumed are: medical and prescription drug cost trend rates ranging from 4.2% to 6.1% and dental cost trend rates of 5.0%.

*Medical assumptions* - the valuation projects healthcare costs for employees who remain in the City with coverage after retirement. Based on the data provided for the valuation, which includes claim information for covered retirees, the valuation calculated per capital costs for the retired group under 65 and the retired group age 65 and older. Retirees generally become eligible for Medicare at age 65.

*Demographic assumptions* - include the following rates: mortality, retirement, withdrawal and disability. Ancillary demographic assumptions included the age of female spouses, coverage rates and participation rates.

The actuarial cost method utilized for the City's actuarial valuation is the Projected Unit Credit method, which is an acceptable method under GASB Statement 45. Under this method, the service cost is determined for each active employee as the Actuarial Present Value of benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each individual's service between date of hire and date of full benefit eligibility.

The asset valuation method is not applicable, as the plan is currently unfunded.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE I. RISK MANAGEMENT**

Insurance Coverage

The City established a self-insurance program in 1982 in accordance with New Jersey Statute Chapter 40:10-6. The Chapter enables the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property casualty risks as follows:

- To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by the city, or under the control of any of the City's Departments, Boards, Agencies or Commissions;
- To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the City, or owned by or under the control of any of the City's Departments, Boards, Agencies or Commissions;
- To insure against liability for the City's negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.).

The City has obtained the following coverage:

- Public officials and employment practices liability insurance with \$5,000,000 limit of liability, aggregate each coverage, with a public officials liability deductible of \$100,000 and employment practices liability deductible of \$250,000.
- General liability, law enforcement activity and employee benefit liability excess coverage of \$5,000,000 per occurrence, \$10,000,000 aggregate, after exhaustion of a retained limit of \$500,000.
- Automobile excess liability coverage of \$5,000,000 with various sublimits.
- Excess limit of insurance, aggregate all sections of coverage, of \$20,000,000 and a maximum total of \$21,500,000.
- Building coverage from \$100,000 to \$20,000,000 depending on the location insured.
- Workers compensation self insured retention of \$1,000,000 per each covered event and a limit of liability of \$2,000,000.

The Reserve for Insurance Liability at June 30, 2015 and June 30, 2014 was \$1,259,652 and \$1,258,845, respectively. The City accounts for insurance claims and costs on a pay-as-you-go basis.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE I. RISK MANAGEMENT (continued)**

Disaster Recovery

The City has entered into contracts with various vendors in an effort to protect its financial processes and data in the event unforeseen disaster should occur. Included in these contracts are offsite storage of financial data tapes and payroll data offsite backup. The latter also provides the City the ability to run such process offsite if needed. An internal control and statutory/regulatory compliance review issued on April 1, 2009 recommended the off-site backup routine, overall environment and housekeeping of the data center should be improved.

**NOTE J. COMPENSATED ABSENCES**

Under the existing contracts and policies of the City, employees are allowed to accumulate certain levels of vacation and sick pay over the duration of their employment. As of June 30, 2015 and 2014 the total accumulated absence liability was \$9,248,839 and \$9,067,542, respectively. The City adopted an emergency resolution of \$1,650,000 during the year ended June 30, 2014 to fund a portion of the liability. As of June 30, 2015 and 2014, the City has on \$607,515 and \$613,163, respectively, in its accrued sick and vacation reserves.

**NOTE K. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, 2015, the following deferred charges are shown on the balance sheets of the various funds. The appropriations in the 2016 budget are not less than that required by statute, with the exception of the deferred charge required for the deficit in operations.

Insurance and Debt Service

During the year ended June 30, 2015, the City passed Emergency Resolution No. 15:041 appropriating additional funds for the payment of costs related to insurance and debt service in accordance with N.J.S.A. 40A:4-46. The total emergency was \$4,395,000, including \$3,955,000 for insurance and \$440,000 for debt service. Such emergency appropriations are required to be appropriated in full in the budget of the succeeding fiscal year. However, the City received Local Finance Board approval to raise the \$3,955,000 insurance emergency over a period of five years.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE K. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**  
**(continued)**

Accrued Sick and Vacation Time

A significant number of employees either retired or otherwise had their employment with the City terminated. During the years ended June 30, 2015 and 2014, the City passed special emergency appropriations of \$-0- and \$1,650,000, respectively, to provide for payment of the resulting severance liabilities.

Cash Deficit of Preceding Year

In accordance with state statutes, operating deficits must be raised in the succeeding fiscal year. The City had an operating deficit of \$543,897 as a result of its operations for the fiscal year ended June 30, 2015. Of this amount, \$529,828 was raised in the budget of the year ended June 30, 2016.

Deferred charges of the City outstanding as of June 30, 2015 and 2014, as well as the amount raised in the succeeding year's budget, are illustrated in the following table:

	Balance, June 30, 2014	2015 Additions	Less: 2015 Budget Appropriation	Balance, June 30, 2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Special Emergency Authorizations (40A:4-53.h)						
Accrued Sick and Vacation Time - 2011	\$ 1,612,000	\$ -	\$ 806,000	\$ 806,000	\$ 806,000	\$ -
Accrued Sick and Vacation Time - 2012	1,704,000	-	568,000	1,136,000	568,000	568,000 (2)
Accrued Sick and Vacation Time - 2013	1,816,000	-	454,000	1,362,000	454,000	908,000 (2)
Accrued Sick and Vacation Time - 2014	1,650,000	-	330,000	1,320,000	330,000	990,000 (2)
Special Emergency Authorizations (40A:4-53.b)						
Revaluation	1,680,000	-	420,000	1,260,000	420,000	840,000 (2)
Emergency Authorizations (40A:4-46)						
Snow Removal	800,000	-	800,000	-	-	-
Insurance	-	3,955,000	-	3,955,000	791,000	3,164,000 (3)
Debt Service	-	440,000	-	440,000	440,000	-
Deficit in 2015 Operations	-	543,897	-	543,897	529,898	13,999
	<u>\$ 9,262,000</u>	<u>\$ 4,938,897</u>	<u>\$ 3,378,000</u>	<u>\$ 10,822,897</u>	<u>\$ 4,338,898</u>	<u>\$ 6,483,999</u>

(2) Local Finance Board approved \$3,306,000 be included in the first 3 years of the conforming maturity schedule of the \$24,795,000 bonds dated December 3, 2015.

(3) Local Finance Board approved \$3,164,000 be included in the first 4 years of the conforming maturity schedule of the \$24,795,000 bonds dated December 3, 2015.

The special emergency appropriations noted above have been financed with special emergency notes, detailed further in Note D. Further description of the above deferred charges follows.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE L. INTERFUND ACTIVITY**

The City has various transactions by and between its individual funds. Certain accounts of the Trust and Capital Funds earn interest which is required to be recorded as revenue in the Current Fund budget. Other transactions include budget appropriations in the Current Fund which are required to be turned over to the Federal and State Grant, Trust and Capital Funds. All these transfers are routine and are consistent with the activities of the funds making the transfers. Transfers by and between the City's funds during the year ended June 30, 2015 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Capital	\$ 44,795,166	\$ 44,672,741
Federal and State Grants Fund	15,273,197	14,148,898
Other Trust Funds	13,218,228	13,206,551
Current Fund	<u>72,028,190</u>	<u>73,286,591</u>
	<u>\$ 145,314,781</u>	<u>\$ 145,314,781</u>

Current Fund interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the Trust Funds and General Capital Fund are not reserved.

As of June 30, 2015, the City had the following interfunds on its balance sheets:

<u>Amount</u>	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
\$ 1,124,299	Current Fund	Current Fund	Department of Transportation Grant Monies
11,677	Other Trust	Current Fund	Advances to Reserve

As of June 30, 2014, the City had the following interfunds on its balance sheets:

<u>Amount</u>	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
\$ 122,425	Current Fund	Capital Fund	Department of Transportation Grant Monies
462	Other Trust	Animal Control	Advances to Reserve

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE M. ECONOMIC DEPENDENCY**

Major Taxpayers

The City does not have a significant economic dependence on any one taxpayer. However, the concentration of the City's ten largest taxpayers of the City, as percentage of total tax net valuation taxable, increased from 2.0% in 2014 to 3.1% in 2015.

Top 10 Taxpayers of 2015		
Name	Type of Business	Assessed Valuation
Center City Partners	Commercial	\$ 23,738,900
Getty Industrials	Industrial Warehousing	22,321,700
Park East Terrace	Housing	20,034,000
Route 20 Retail Center, LLC	Commercial	19,730,600
Riverview Towers II	Housing	18,474,900
Riverview Towers I	Housing	18,412,600
Okonite Company, Inc.	Cable Communication	16,086,200
Ivy Madison Property, LLC	Industrial Warehousing	14,392,600
New Jersey Bell Telephone	Office	13,181,928
Great Falls Realty Associates, LLC	Housing	10,600,000
		<u>\$ 176,973,428</u>
Percentage of Net Valuation Taxable		3.1%

Top 10 Taxpayers of 2014		
Name	Type of Business	Assessed Valuation
297 Paterson, LLC	Industrial Warehousing	\$ 24,093,700
Center City Partners	Commercial	23,738,900
Rt 20 Retail Center, LLC	Commercial	21,449,000
Okonite Company, Inc.	Cable Communication	18,403,700
Great Falls Realty Associates, LLC	Housing	16,500,000
HDI Realty, LLC	Housing	16,255,200
Riverview Towers, LLC	Housing	15,742,900
Ivy Madison Property, LLC	Industrial Warehousing	14,187,100
New Jersey Bell Telephone	Office	13,832,573
Park East Terrace	Housing	13,498,200
		<u>\$ 177,701,273</u>
Percentage of Net Valuation Taxable		2.0%



**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE M. ECONOMIC DEPENDENCY (continued)**

State Aid

During the years ended June 30, 2015 and 2014, State Aid accounted for 22.2% and 21.6%, respectively, of the City's realized general revenues. Included in the City's State Aid revenue is Transitional Aid, for which the City is required to re-apply annually. Significant changes in State Aid policy, if they were to occur, in conjunction with legislation capping increases to the tax levy, could have a material impact on the City's operations, if any such policy modifications were to occur. The Table below illustrates the City's reliance on State Aid for the years ended June 30, 2015 and 2014.

	June 30, 2015		June 30, 2014	
	Amount	Percent of Revenue	Amount	Percent of Revenue
State Formula Aid (4)	\$ 32,992,048	12.6%	\$ 33,369,044	12.8%
Transitional Aid	25,000,000	9.6%	23,000,000	8.8%
Total State Aid	57,992,048	22.2%	56,369,044	21.6%
Other Budget Revenues	203,289,532	77.8%	193,115,161	73.9%
Total Budget Revenues	\$ 261,281,580	100.0%	\$ 249,484,205	95.5%

(4) State Formula Aid includes Consolidated Municipal Property Tax Relief, Energy Receipts Tax, Supplemental Energy Receipts Tax, Open Space PILOT Aid (Garden State Trust), Building Aid Allowance for Schools (2014 only) and Watershed Moratorium Offset Aid.

**NOTE N. CONTINGENT LIABILITIES**

Tax Appeals

The City is a defendant in various tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for years through 2015. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. As of June 30, 2015 and 2014, the City has a balance in its reserve for tax appeals in the amount \$-0- and \$497,164, respectively. During the year ended June 30, 2014, the City issued new tax appeal refunding notes in the amount of \$3,300,000 to finance such appeals as authorized by Ordinance No. 14-021, in addition to a renewal of \$4,213,000 in tax appeal refunding notes previously outstanding. During the year ended June 30, 2015, the City renewed \$4,636,000 of these notes. Total tax appeal refunding notes outstanding at June 30, 2015 and 2014 were \$4,636,000 and \$7,513,000, respectively.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE N. CONTINGENT LIABILITIES (continued)**

Grant Programs

The City receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes.

During the years ended June 30, 2015 and 2014, the City was subject to the requirements of the Single Audit Act of 1996, which mandates that all federal grant revenues and expenditures be audited in conjunction with the municipal audit.

In addition, substantially all State grants, entitlements and cost reimbursements are subject to these audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. Each of the grantor agencies reserves the right to conduct additional audits of the City's grant programs for economy, efficiency and program results. However, other than the events noted below, City management does not believe such audits would result in additional material amounts of disallowed costs.

As a result of such an audit from the Department of Housing and Urban Development (HUD), the City entered into an agreement to settle and re-program \$2,197,067 previously disallowed by HUD. The City appropriated \$439,413 in the operating budget of each of the years ended June 30, 2015 and 2014 and will appropriate \$439,412 per year through the year ended June 30, 2017. As of June 30, 2015 and 2014, the balance of the settlement due to be reprogrammed into the City's own CDBG program was \$878,824 and \$1,318,237, respectively. These monies are a re-programming of funds for the City's use, therefore no liability has been recorded.

The City received a letter dated April 30, 2015 from the Office of Inspector General – United States Department of Housing and Urban Development (OIG HUD), in which there are two findings and 27 recommendations resultant from an audit of the City's HOME Investment Partnership Program. In summary, OIG HUD recommends that "HUD recapture \$844,640 in ineligible committed funds and instruct City officials to reimburse more than \$948,414 spent for ineligible costs, provide documentation to support that \$561,245 was spent on supported costs and activities, remove more than \$2.2 million in ineligible CHDO reserve, provide documentation for more than \$1.1 million in CHDO reserve, and properly record deed restrictions and affordability requirements so that HUD's interest in over \$1.37 million is protected."

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE N. CONTINGENT LIABILITIES (continued)**

Grant Programs (continued)

In March, 2016 the City submitted a response to the Inspector General which was not accepted. HUD is currently reviewing an action plan prepared by the City, but no formal resolution has been made. The City has a call planned with HUD on June 10, 2016 with the intent of further clarifying what is expected of the City in regards to these recommendations. As of the audit report date, the amount of the City's liability arising from the OIG HUD audit is not known.

In a letter dated May 25, 2016, the City was notified by HUD that the City is in jeopardy of not complying with the annual timeliness test for the grant year ended June 30, 2016, in which the City should have uncommitted CDBG and HOME funds of not more than 1.5 times the amount of its annual grant. Failure to meet the 1.5 standard may result in a reduction in the succeeding grant by 100% of the amount in excess of the 1.5 standard, except where HUD determines that the untimeliness resulted from factors beyond the reasonable control of the City. As of the date of this report, it is unclear by what amount, if any, the City will have its funding reduced.

Dissolution of the Paterson Municipal Utilities Authority

On October 28, 2014, the City adopted Ordinance No. 14-059 effectively dissolving the Paterson Municipal Utilities Authority (the "PMUA"). Upon dissolution, the City has assumed the PMUA's operations, contracts, agreements and liabilities. As of the date of this report, the final audit of the PMUA was not yet issued. Although it is not expected additional material liabilities will arise from the results of this audit, the possibility remains. More detailed information about the dissolution is found in Note O.

Litigation

The City is currently named as defendant in several lawsuits/complaints, none of which is unusual for a municipality of its size and should be adequately covered by the City's insurance program, defense program or by the City directly and which may be settled in a manner satisfactorily to the financial stability of the City. The City self-insures and also carries excess insurance for all lines of coverage. It is anticipated that any judgments in excess of the insured coverage would be paid by the City through future taxation or future debt borrowing. Some of the more significant lawsuits with potential for material exposure to the City are highlighted as follows:

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE N. CONTINGENT LIABILITIES (continued)**

Litigation (continued)

*Workers Compensation Claims* – There are currently 134 Workers Compensation matters being handled by Counsel. Including medical care and treatment and permanency awards, Counsel estimates the City's exposure should not exceed \$2,500,000.

*Alqanawi v. City* - This is an excessive force matter filed under 42 USC 1983. On June 2, 2016 the Court vacated default and set a trial date for July 18, 2016. Should a jury find favor of plaintiff, exposure has the potential to exceed \$500,000.

*Aponte v. City* - This is an excessive force matter filed under 42 USC 1983 alleging assault by City police officers on plaintiff during a traffic stop and subsequent arrest. The Passaic County Prosecutor's Office investigated the arrest for evidence of criminality as to the police officers, but pressed no charges. This matter is in the early stages of discovery but has significant exposure of over \$750,000.

*Cruz et al v. City* – Approximately 300 members of the City's Police Department allege overtime was paid in violation of the Fair Labor Standards Act. The parties ultimately entered into a settlement agreement for \$1.9 million, payable in six installments as follows: \$200,000 by 9/1/13, \$435,000 by 12/8/13 and 4 payments of \$316,250 by 9/30/14, 2/28/15, 9/30/15 and 10/30/15.

*Danzy v. City* – This is a negligence case arising from an auto accident between a City police vehicle and plaintiff. The matter is scheduled for nonbinding arbitration, however, in the event this matter proceeds past summary judgment, the potential exposure to the City may exceed \$250,000.

*Deeb v. City* – The plaintiff alleges that the City discriminated against here on the basis of a handicap or disability pursuant to the NJ Law Against Discrimination. This case was settled on January 21, 2016 in Federal District Court in the total amount of \$400,000. The City Council met and approved the settlement on May 3, 2016. Two payments of \$200,000 are due on July 1, 2016 and July 1, 2017.

*Diaz v. City* – In this case, the plaintiff was struck by an ambulance driven by a member of the City's Fire Department. The City rejected an arbitrated award of \$100,000; however, because of medical and employment reasons, there remains potential exposure in excess of \$250,000.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE N. CONTINGENT LIABILITIES (continued)**

Litigation (continued)

*Estate of Del Rosario* – This case, currently in discovery, involves the death of a person shot and killed by a Paterson Police Officer. The Plaintiffs’ demand is \$5,000,000. Fact discovery on the case has been extended until December 31, 2016.

*H&S Construction v. City* – The plaintiff filed a claim with the City for breach of contract and damages in the amount of \$1,027,722 in relation to a bid awarded in 2009 for which no Notice to Proceed was issued and the project subsequently re-bid and not awarded to the plaintiff (who was not the lowest bidder). The plaintiff rejected the City’s proposed settlement amount of \$150,000. The trial date has been repeatedly adjourned. The City continues to argue no valid contract was formed.

*Heffernan v. City* – This case went to trial in March, 2009 with a jury verdict of \$105,000 rendered against the City. The case then transferred Judges, and a summary judgment was granted in favor of the City. Subsequently the case was dismissed, then petitioned for certiorari to the Supreme Court of the United States, which remanded the case to the Third Circuit. Exposure to the City in this matter may exceed \$3,000,000.

*Lee v. City* – This suit involves a fire within the City in which there were numerous deaths. The plaintiff claims the City did not shut down the building. Trial date is scheduled for “early summer” but the matter is at the Appellate Division regarding Title 59 issues.

*Makle/Pettiford v. City* – This case involves prior employees of the City alleging 1983 claims and due process violations. Discovery is complete and pending court instruction. This case is potentially valued to exceed \$250,000.

*Ojeda v. City* – This matter involves an employment-related litigation where plaintiff claims a hostile work environment, harassment and retaliation. The case will likely proceed to trial and has a potential value exceeding \$500,000 with compensatory and economic damages combined with counsel fees in the event that plaintiff succeeds on retaliation claims. There is also potential for punitive damages.

*Reyes v. City* – This is a fall down incident where the plaintiff claims that she fell on a pothole which was partially obscured by a new falling snow. Because of injuries to plaintiff, this case may have potential to exceed \$250,000. A motion for summary judgment was adjourned without date.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE N. CONTINGENT LIABILITIES (continued)**

Litigation (continued)

*Rodriguez and Espinal v. City* - This is an excessive force matter filed under 42 USC 1983 alleging City officers intentionally assaulted plaintiffs during their arrest. This matter is currently in the second phase of discovery. Should the matter proceed past summary judgment, a jury find in favor of plaintiff may result in potential exposure to the City of over \$350,000.

*Simmons v. City* – This is an excessive force matter filed under 42 USC 1983 which is pending resolution of defendants’ motion for summary judgment. However, in the event this matter proceeds past summary judgment, a jury decision may create the potential for exposure in excess \$250,000

*Stevenson v. City* – This suit is the result of an injury suffered on a City ball field. The demand is noted as \$500,000, however the Judge indicated a settlement of \$75,000 would be approved. Counsel notes there remains potential for material exposure.

*Veal v. City* – This is a Federal case which stems from allegations of excessive force matter. Because of the nature of the case, there is potential for material exposure. The last settlement offer by the City of \$60,000 was rejected by opposing counsel. City Counsel anticipates a final decision on the motions for summary judgment by December, 2016.

*Velarde v. Andre, et al.* – This involves an incident where the plaintiff’s automobile was struck in the rear by a City vehicle. There remains potential for a jury verdict to exceed \$250,000.

*Warren v. City* – This is an excessive force matter alleging that Paterson Auxiliary Police Officers intentionally or negligently caused their vehicle to come into contact with Plaintiff’s decedent’s motorcycle which resulted in the decedent’s death. This matter is currently in the middle stages of discovery, and the City anticipates filing for summary judgment at the conclusion of discovery. The Plaintiff has previously demanded \$30 million.

*Wittig v. City* – Whereas a former Chief of Police and the City arrived at a retirement settlement of \$255,799 on December 27, 2011, this amount was not approved by the Department of Community Affairs. In May, 2015, the former Chief of Police filed an appeal with the New Jersey Appellate Division. As of the date of this report, the parties are in the process of drafting a settlement agreement of \$184,845.

**CITY OF PATERSON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE O. DISSOLUTION OF PATERSON MUNICIPAL UTILITIES AUTHORITY**

As a result of its dissolution by the City, the PMUA transferred \$1,033,303 to the City, which the City realized as miscellaneous revenue not anticipated during the year ended June 30, 2015. In addition, the City assumed over \$100,000 of annual lease agreements due from tenants on (former) PMUA properties. All assets and real property of the PMUA were to be assigned and/or deeded to the City, the value of which, per the most recently completed audit of the PMUA, was \$2,789,260, before accumulated depreciation of \$235,514. The City will assume the PMUA's operations and maintain these acquired properties through its annual public works operating budget appropriation. At dissolution, the PMUA had no outstanding debt, but the City would assume any outstanding contracts and agreements.

As of June 30, 2014, the City had a fully reserved receivable in its Trust Fund due from the PMUA of \$3,199,181, which was created as a result of City's repayment on behalf of the PMUA for its loan obligation due to the U.S. Department of Housing and Urban Development. During the year ended June 30, 2015 this receivable was reduced by the transfer at dissolution of \$1,033,303. The balance of \$2,165,878 was written off against the corresponding reserve.

See also Note N regarding contingent liabilities arising from the dissolution.

**NOTE P. DEFICIENCY AND GUARANTEE AGREEMENTS**

Following is a description of agencies which have issued debt for which the City is potentially responsible in varying degrees.

North Jersey District Water Supply Commission

The City is a contracting municipality with North Jersey District Water Supply Commission (NJDWSC). As such, it is entitled to 20% of the water supplied by NJDWSC and is liable for 20% of the annual operating charges, including debt service of NJDWSC. Historically, these charges have been totally defrayed by the water revenues of NJDWSC.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE Q. REGIONAL CONTRIBUTION AGREEMENTS**

The New Jersey Supreme Court through its ruling in South Burlington County in 1983, referred to as the Mount Laurel Agreement, determined that a municipality may transfer up to 50% of its fair share of its regions present and prospective needs for housing for low and moderate income families to another municipality within its housing region by means of a contractual agreement into which the two municipalities voluntarily enter. The municipality who proposes the transfer enters into a Regional Contribution Agreement and obtains approval by the County Planning Board and Council on Affordable Housing. Regional Contribution Agreements entered subsequent to December 20, 2004 will be based on a new growth share approach. Under this new approach a portion of the actual growth taking place in the region will be the municipality's affordable housing obligation.

Township of Wayne - The City entered into a Regional Contribution Agreement with the Township of Wayne on December 29, 1990, whereby the City will implement the rehabilitation and/or construction of 497 units of very low and low income housing over a five year period.

Borough of Woodland Park - The City also entered into a Regional Contribution Agreement with the Borough of Woodland Park on December 1, 1999, where the City will acquire and rehabilitate 21 vacant buildings each containing two to three units. The rehabilitated units will be sold to 21 moderate income households who will become owner-occupant and, in turn, rent the second or third unit to low income households.

Borough of Hawthorne - The City also entered into a Regional Contribution Agreement with the Borough of Hawthorne on September 14, 2005, where the City will acquire and rehabilitate 23 scattered sites within the City of Paterson. The rehabilitated units will be sold or rented by low or moderate income households. The City received \$575,000 for the year ended June 30, 2007.

The table below summarizes the cumulative and current year activity for these agreements for the year ended June 30, 2015:

	Balance June 30, 2014	Cash Receipts	Balance June 30, 2015	Cumulative Expenditures
Township of Wayne	\$ 119,815	\$ 151	\$ 119,966	\$ 10,200,941
Borough of Woodland Park	575,741	363	576,104	324,000
Borough of Hawthorne	97,604	40	97,644	324,000
	<u>\$ 793,160</u>	<u>\$ 554</u>	<u>\$ 793,714</u>	<u>\$ 10,848,941</u>



**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE Q. REGIONAL CONTRIBUTION AGREEMENTS (continued)**

The table below summarizes the cumulative and current year activity for these agreements for the year ended June 30, 2014:

	Balance June 30, 2013	Cash Receipts	Balance June 30, 2014	Cumulative Expenditures
Township of Wayne	\$ 88,796	\$ 31,019	\$ 119,815	\$ 10,200,941
Borough of Woodland Park	575,180	561	575,741	324,000
Borough of Hawthorne	97,510	94	97,604	324,000
	<u>\$ 761,486</u>	<u>\$ 31,674</u>	<u>\$ 793,160</u>	<u>\$ 10,848,941</u>

\*Balances include both Contribution and Interest Accounts.

**NOTE R. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 8, 2016, the date which the financial statements were available to be issued. The following material subsequent events have been noted:

**Refunding Bond Ordinance - \$3,306,000** – On September 15, 2015 the City adopted Ordinance No. 15-067 providing for the funding of a Temporary Emergency Appropriation for Accrued Severance Liabilities and Revaluation of Real Property and appropriating an amount not exceeding \$3,306,000 therefor and authorizing the issuance of not to exceed \$3,306,000 Refunding Bonds or Notes to Finance the cost. This amount was issued as part of the \$24,795,000 issuance of bonds described below.

**Refunding Bond Ordinance - \$1,630,000** – On February 9, 2016, the City adopted Ordinance No. 16:005 providing for the funding of a Temporary Emergency Appropriation of the City for Tax Appeals and appropriating an amount not exceeding \$1,630,000 therefor and authorizing the issuance of not to exceed \$1,630,000 refunding bonds or notes of the City for financing the cost thereof.

**Re-appropriation Ordinance - \$338,921** – On February 16, 2016, the City adopted Ordinance No. 16:004 re-appropriating \$338,921 of proceeds of obligations not needed for their original purpose, so as to provide for the purchase of computer equipment and software.

**Capital Improvement Ordinance - \$1,100,000** – On January 19, 2016 the adopted Ordinance No. 16:001 providing for the payment of certain costs in connection with the Paterson Armory in the City of Paterson and appropriating \$1,100,000 therefor, and providing for the issuance of \$1,045,000 in Bonds or Notes of the City of Paterson to finance the same.

**CITY OF PATERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE R. SUBSEQUENT EVENTS (continued)**

**Issuance of Bonds - \$24,795,000** – On December 14, 2015, the City issued \$24,795,000 of notes as part of the Passaic County Improvement Authority's (PCIA's) issuance of County-Guaranteed Governmental Loan Revenue Bonds, Series 2015 (City of Paterson Project). These bonds are due annually on August 1 from 2016 through 2031 in maturity amounts ranging from \$1,135,000 to \$4,910,000. The interest rates on the bonds range from 2% to 5%.

The Series 2015 Bonds are being issued by the PCIA to provide funds to make a loan to the City. The City will apply the proceeds of the loan to pay certain costs of issuance of the bonds and to refund the following:

Description of Notes Funded by Bonds			Amount of Notes:		
			Funded by	Paid by 2016	Payable at
Type	Dated	Maturing	Bond Proceeds	Appropriation	June 30, 2015
Bond Anticipation Notes	06/03/2015	12/15/2015	\$ 19,160,000	\$ -	\$ 19,160,000
Tax Appeal Refunding Notes	06/03/2015	12/15/2015	1,760,000	2,876,000	4,636,000
Subtotal: General Capital Fund Bond Anticipation Notes			20,920,000	2,876,000	23,796,000
Emergency Notes	06/03/2015	12/15/2015	3,164,000	1,231,000	4,395,000
Special Emergency Notes	06/03/2015	12/15/2015	3,306,000	2,578,000	5,884,000
Subtotal: Current Fund Emergency Notes			6,470,000	3,809,000	10,279,000
			\$ 27,390,000	\$ 6,685,000	\$ 34,075,000
Costs of Issuance			419,317		
Total Uses of Funds			\$ 27,809,317		
Principal Amount of Bonds			\$ 24,795,000		
Premium Received			3,014,317		
Total Sources of Funds			\$ 27,809,317		

**CITY OF PATERSON**

**REPORT OF AUDIT  
FY 2015**

**SUPPLEMENTARY DATA SECTION**

**CITY OF PATERSON**

**REPORT OF AUDIT  
FY 2015**

**SUPPLEMENTARY DATA SECTION:  
CURRENT FUND SCHEDULES**

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF CASH - TREASURER**

	Ref.	Current Fund	Federal and State Grant Fund
Balance: June 30, 2014	A	\$ 16,967,371	\$ 1,139,580
Increased by:			
Miscellaneous Revenues Not Anticipated	A-2b	\$ 2,205,049	\$ -
Current Year Appropriations	A-3a	34,349,109	-
Collector	A-5	255,512,424	-
Sr. Citizens and Veterans Deductions	A-8	304,470	-
Revenue Accounts Receivable	A-15	61,951,714	-
Interfunds	A-17	67,227,971	-
Appropriation Reserves	A-18	60,167	-
Emergency and Special Emergency Notes Payable	A-27	10,279,000	-
State Library Aid	A-30	91,254	-
Library Fines and Donations	A-31	77,780	-
		432,058,938	-
		449,026,309	1,139,580
Decreased by:			
Miscellaneous Revenues Not Anticipated	A-2b	10,811	-
Current Year Appropriations	A-3a	247,605,220	-
Tax Receipts - Current Taxes	A-2a	8,296,440	-
Revenue Accounts Receivable	A-15	53,766	-
Interfunds	A-17	69,825,459	-
Appropriation Reserves	A-18	5,727,425	-
Requisitions and Accounts Payable	A-19	769,894	-

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF CASH - TREASURER**

	Ref.	Current Fund	Federal and State Grant Fund
Decreased by:			
Tax Overpayments	A-21	\$ 8,346,276	\$ -
Other Reserves	A-22	1,803,112	-
School Taxes Payable	A-25	39,461,008	-
County Taxes Payable	A-26	43,116,884	-
Special Emergency Note Payments	A-27	5,884,000	-
Special Emergency Notes Refunded	A-27	2,578,000	-
Accrued Sick and Vacation Time	A-28	5,648	-
State Library Aid	A-30	29,747	-
Revaluation	A-34	1,773,486	-
Allocate Interfunds	A-36	-	1,139,580
		<u>\$ 435,287,176</u>	<u>\$ 1,139,580</u>
Balance: June 30, 2015	A	<u><u>\$ 13,739,133</u></u>	<u><u>\$ -</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>		
Balance: June 30, 2014			\$ -
Increased by:			
Tax Receipts - Current Taxes	A-2a	\$ 229,439,143	
Tax Receipts - Delinquent Taxes	A-2a	416,600	
Tax Title Liens Receivable	A-9	1,438,323	
Sewer Charges Receivable	A-10	10,503,264	
Sewer Liens Receivable	A-11	397,472	
Demolition Liens Receivable	A-12	144,400	
Revenue Accounts Receivable	A-15	12,945,092	
Prepaid Taxes	A-20	91,898	
Other Reserves	A-22	135,361	
Prepaid Sewers	A-23	871	
		<hr/>	255,512,424
			<hr/> 255,512,424
Decreased by:			
Disbursed to Treasurer	A-4		255,512,424
			<hr/>
Balance: June 30, 2015			\$ -
			<hr/> <hr/>

Exhibit A-6

**SCHEDULE OF CHANGE FUND**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	A	\$ 685
		<hr/> <hr/>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year Ended June 30,	Balance: June 30, 2014	2015 Tax Levy	Added Taxes	Collections		By Discounts Allowed		Transferred to Tax Title	Balance: June 30, 2015
				By Cash Receipts - Net of Refunds 2014	2015			Canceled Liens	
1999	38	-	-	-	-	-	-	-	38
2000	40	-	-	-	-	-	-	-	40
2001	1,113	-	-	-	-	-	-	-	1,113
2004	5	-	-	-	-	-	-	-	5
2005	50	-	677	-	-	-	-	677	50
2006	-	-	705	-	-	-	-	705	-
2007	-	-	385	-	-	-	-	385	-
2008	-	-	78,710	-	414	-	-	78,296	-
2009	-	-	88,378	-	31,363	-	-	57,015	-
2010	151	-	67,502	-	2,371	-	-	65,131	151
2011	36,583	-	72,763	-	32,431	-	-	72,475	4,440
2012	127	-	16,453	-	2,525	-	-	7,366	6,689
2013	1,989	-	30,107	-	26,881	-	-	3,391	1,824
2014	83,891	-	293,521	-	320,615	(9,750)	-	62,980	3,567
Total Prior Years	123,987	-	649,201	-	416,600	(9,750)	-	348,421	17,917
2015	-	236,762,413	-	130,774	221,898,654	284,625	8,992,870	5,238,555	216,935
Ref.	\$ 123,987	\$ 236,762,413	\$ 649,201	\$ 130,774	\$ 222,315,254	\$ 274,875	\$ 8,992,870	\$ 5,586,976	\$ 234,852
	A			A-2a, A-20	A-2a	A-2a, A-8		A-9	A
Tax Levy:									
Total Local District School Tax									
County Tax									
General County Taxes									
County Open Space Taxes				\$ 42,423,662					
Added and Omitted County Taxes				651,375					
Total County Tax				41,847					
Minimum Library Tax									
Local Tax for Municipal Purposes									
Local Tax for Municipal Purposes				145,935,664					
Local Tax for Municipal Purposes (Added)				183,343					
Add: Additional Tax Levied				5,792,884					
Total Local Tax for Municipal Purposes				151,911,891					
				\$ 236,762,413					
Tax Yield:									
General Purpose				\$ 236,537,223					
Added and Omitted Taxes				225,190					
				\$ 236,762,413					



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 152,875
Increased by:			
Senior Citizens Deductions per Tax Billings		\$ 127,125	
Veterans Deductions per Tax Billings		166,500	
Deductions Allowed by Tax Collector:			
Current Year			
Veterans		2,000	
Senior Citizens		8,250	
Prior Year			
Veterans		125	
Senior Citizens		250	
2% Administrative Fee	A-2b	<u>5,970</u>	
			<u>310,220</u>
			463,095
Decreased by:			
Deductions Disallowed by Tax Collector:			
Current Year			
Veterans		19,250	
Prior Year			
Senior Citizens		10,125	
Received in Cash from State of New Jersey	A-4	<u>304,470</u>	
			<u>333,845</u>
Balance: June 30, 2015	A		<u>\$ 129,250</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS**

Analysis of State Share of Senior Citizens and Veterans Deductions

	<u>Ref.</u>		
Current Year Senior Citizens' Deductions:			
As Set Forth by Tax Assessor		\$ 127,125	
Allowed by Tax Collector		8,250	
Disallowed by Tax Collector		(19,250)	
Current Year Veterans' Deductions:			
As Set Forth by Tax Assessor		166,500	
Allowed by Tax Collector		2,000	
Share of Senior Citizens' and Veterans' Deductions	A-7	<u>284,625</u>	\$ 284,625
Prior Year Senior Citizens' Deductions:			
Allowed by Tax Collector		250	
Disallowed by Tax Collector		(10,125)	
Prior Year Veterans' Deductions:			
Allowed by Tax Collector		125	
	A-7	<u>(9,750)</u>	
	A-7	<u>\$ 274,875</u>	

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 12,285,926
Increased by:			
Transfer from Taxes	A-7	\$ 5,586,977	
Interest and Costs on Tax Sale		<u>134,376</u>	
			<u>5,721,353</u>
			18,007,279
Decreased by:			
Cancelled		19,840	
Cash Receipts	A-2a, A-5	<u>1,438,323</u>	
			<u>1,458,163</u>
Balance: June 30, 2015	A		<u>\$ 16,549,116</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF SEWER CHARGES RECEIVABLE**

	<u>Ref.</u>	<u>Total</u>	<u>Current</u>	<u>Prior</u>
Balance: June 30, 2014	A	\$ 595,458	\$ -	\$ 595,458
Increased by:				
Billings		10,966,835	10,966,835	-
Credit Write-Off		<u>15,730</u>	<u>15,730</u>	<u>-</u>
Subtotal		<u>11,578,023</u>	<u>10,982,565</u>	<u>595,458</u>
Decreased by:				
Transfer to Sewer Liens Receivable	A-11	386,816	377,811	9,005
Prior Year Prepaid Applied	A-2a, A-23	2,672	2,672	-
Cancellations		59,735	43,874	15,861
Cash Receipts	A-5	<u>10,503,264</u>	<u>9,932,672</u>	<u>570,592</u>
		<u>10,952,487</u>	<u>10,357,029</u>	<u>595,458</u>
Balance: June 30, 2015	A	<u><u>\$ 625,536</u></u>	<u><u>\$ 625,536</u></u>	<u><u>\$ -</u></u>
Analysis of Cash Receipts:				
Current Year Sewer Charges	A-2a	\$ 9,125,672	\$ 9,125,672	\$ -
Prior Year Sewer Charges	A-2a	570,592	-	570,592
Additional Sewer Charges	A-2a	<u>807,000</u>	<u>807,000</u>	<u>-</u>
		<u><u>\$ 10,503,264</u></u>	<u><u>\$ 9,932,672</u></u>	<u><u>\$ 570,592</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF SEWER LIENS RECEIVABLE**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 1,049,087
Increased by:			
Transfer from Sewer Charges Receivable	A-10		<u>386,816</u>
			1,435,903
Decreased by:			
Cash Receipts	A-5, A-2a	\$ 397,472	
Cancelled		<u>1,874</u>	
			<u>399,346</u>
Balance: June 30, 2015	A		<u><u>\$ 1,036,557</u></u>

## Exhibit A-12

**SCHEDULE OF DEMOLITION LIENS RECEIVABLE**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 962,820
Increased by:			
Billings			<u>491,533</u>
			1,454,353
Decreased by:			
Cash Receipts - CDBG Program Income	A-2a, A-5		<u>144,400</u>
Balance: June 30, 2015	A		<u><u>\$ 1,309,953</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
AT ASSESSED VALUATION**

	<u>Ref.</u>	
Balance: June 30, 2015	A	<u>\$ 5,107,360</u>

## Exhibit A-14

**SCHEDULE OF SALES CONTRACTS RECEIVABLE -  
PROPERTY ACQUIRED FOR TAXES**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	A	<u>\$ 25,000</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance June 30, 2014	Accrued	Collections		Balance June 30, 2015
			Collector	Treasurer	
<b>LOCAL REVENUES</b>					
Licenses:	\$				
Alcoholic Beverages	-	\$ 213,988	\$ 213,988	-	\$ -
Other Licenses	-	136,984	136,984	-	-
Fines and Costs:					
Municipal Court	-	4,141,271	-	4,141,271	-
Interest and Costs on Taxes	-	1,965,475	1,965,475	-	-
Interest on Investments and Deposits	-	12,835	-	12,835	-
Interest on Delinquent Sewer Charges	-	330,277	330,277	-	-
Department of Public Works	-	128,490	128,490	-	-
Division of Health	-	729,930	729,930	-	-
City-Wide Recycling Revenues	-	337,919	-	337,919	-
Board of Adjustment	-	219,100	219,100	-	-
Sale of Copies of Public Records	-	32,396	32,396	-	-
Ambulance Fees	-	3,124,843	3,124,843	-	-
Municipal Towing Contract Fees	-	138,068	-	138,068	-
FD Combustibles Inspection Revenues	-	827,436	827,436	-	-
Livery and Taxi License Fees	-	117,375	117,375	-	-
<b>STATE AID WITHOUT OFFSETTING APPROPRIATIONS</b>					
Consolidated Municipal Property Tax Relief	-	11,652,919	-	11,652,919	-
Energy Receipts Tax	-	21,070,061	-	21,070,061	-
Supplemental Energy Receipts Tax	-	262,651	-	262,651	-
Open Space PILOT Aid (Garden State Trust)	-	6,088	-	6,088	-

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance June 30, 2014	Accrued	Collections		Balance June 30, 2015
			Collector	Treasurer	
STATE AID WITHOUT OFFSETTING APPROPRIATIONS - continued					
Watershed Moratorium Offset Aid	\$ -	\$ 329	-	\$ 329	\$ -
Transitional Aid	-	25,000,000	-	25,000,000	-
DEDICATED UNIFORM CONSTRUCTION CODE FEES					
OFFSET WITH APPROPRIATIONS					
Uniform Construction Code Fees					
Fees and Permits					
Construction Code Official	-	1,424,212	1,424,212	-	-
Other	-	655,794	655,794	-	-
OTHER SPECIAL ITEMS					
Payments in Lieu of Taxes					
Aspen Hamilton	-	94,509	94,509	-	-
Colt Arms	-	186,509	186,509	-	-
Federation Apartments	-	176,278	176,278	-	-
Governor Paterson Towers	-	490,160	490,160	-	-
504 Madison Avenue	-	140,743	140,743	-	-
Incca for Housing - Carroll Street	-	160,297	160,297	-	-
Incca for Housing - North Triangle	-	156,902	156,902	-	-
Cooke Building Associates	-	8,841	8,841	-	-
Jackson Slater	-	198,214	198,214	-	-
Essex - Phoenix Mill	-	215,949	215,949	-	-



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance June 30, 2014	Accrued	Collections		Balance June 30, 2015
			Collector	Treasurer	
OTHER SPECIAL ITEMS - continued					
Payments in Lieu of Taxes - continued					
Brooke Sloate	\$ -	\$ 170,275	\$ 170,275	\$ -	\$ -
Rosa Park - 400 Broadway	-	23,682	23,682	-	-
Garret Heights	-	61,196	61,196	-	-
Christopher Columbus Development	-	125,431	125,431	-	-
446-460 E. 19th Street	-	18,950	18,950	-	-
Belmont/McBride Apartments	-	27,288	27,288	-	-
Sheltering Arms	-	12,256	12,256	-	-
Hope 98 North Main Scatted Sites	-	26,694	26,694	-	-
Hope 98 Beech Street	-	31,320	31,320	-	-
Hope 98 Van Houten Street	-	16,660	16,660	-	-
Rising Dove Senior Housing	-	31,388	31,388	-	-
Paterson Housing Authority	-	137,484	137,484	-	-
200 Godwin Avenue	-	52,032	52,032	-	-
Congdon Mill	-	69,153	69,153	-	-
Belmont Towers 2007 Audit Adjustment	-	14,240	14,240	-	-
Heritage - Alexander Hamilton	-	43,642	43,642	-	-
Brooke Sloate Audit Adjustment	-	9,163	9,163	-	-
Aspen Hamilton Audit Adjustment	-	3,008	3,008	-	-
Cable Communication Third Party Rent	-	255,000	-	255,000	-
US Cable of Paterson Franchise Fees	-	336,727	-	336,727	-

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance June 30, 2014	Accrued	Collections		Balance June 30, 2015
			Collector	Treasurer	
OTHER SPECIAL ITEMS - continued					
City of Paterson Parking Authority	\$ -	\$ 204,000	\$ -	\$ 204,000	\$ -
Cooperative Agreement 7/1 - 12/31	-	170,000	-	170,000	-
Cooperative Agreement 1/1 - 6/30	-	294,150	-	294,150	-
PVWC Fire Hydrant Testing Reimbursement	-	11,000	-	11,000	-
Trust Fund Surplus	-	34,551	-	34,551	-
PVSC Rebate Incentive Program	-	154,531	-	154,531	-
Private Host Benefit Fees	-	16,537	-	16,537	-
Private Host Benefit Fees Prior Year	-	7,570	-	7,570	-
Recycling Tire Fees	-	257,452	-	257,452	-
Verizon Franchise Fees	-	10,000	-	10,000	-
Passaic County Community College Rent	-	95,000	-	95,000	-
Housing Authority Garbage Reimbursement	-	15,498	-	15,498	-
Libby's Rent	-	394,755	-	394,755	-
FEMA Reimbursements - 2011 Storms	-	14,339	-	14,339	-
Classic Towing Prior Year	-		-		-
Motor Vehicle Agency Security Reimbursement	-	47,998	-	47,998	-
Prior Year	-	263,987	-	263,987	-
Current Year	-	49,500	-	49,500	-
Northwest Hydro Holding	-	44,200	-	44,200	-
Additional Fire Inspection Fees	-		-		-

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance June 30, 2014	Accrued	Collections		Balance June 30, 2015
			Collector	Treasurer	
OTHER SPECIAL ITEMS - continued					
Health Contracts - Prior Year	\$ -	\$ 21,184	\$ 21,184	\$ -	\$ -
Health Contracts - Current Year	-	64,223	64,223	-	-
Health Premiums	-	3,896,420	-	3,896,420	-
Total Revenue and Other Credits to Income	\$ -	\$ 81,889,327	\$ 12,693,971	\$ 69,195,356	\$ -
		A-2a			
Cash Receipts	A-4	\$ 61,951,714	\$ -	\$ 61,951,714	
Cash Receipts	A-5	12,945,092	12,945,092	-	
Qualified Bonds Paid by State	A-3a	7,250,140	-	7,250,140	
		82,146,946	12,945,092	69,201,854	
Less:					
Cash Disbursements	A-4	53,766	53,363	403	
Re-Allocated from Other Reserves	A-22	203,853	197,758	6,095	
		257,619	251,121	6,498	
		\$ 81,889,327	\$ 12,693,971	\$ 69,195,356	

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF DEFERRED CHARGES**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 9,262,000
Increased by:			
Emergency Authorizations:			
Insurance, Reso. 15:041	A-1	\$ 3,955,000	
Debt Service, Reso. 15:041	A-1	440,000	
	A-3a	<u>4,395,000</u>	
Deficit in Operations	A-1	<u>529,898</u>	
			<u>4,924,898</u>
			14,186,898
Decreased by:			
Deferred Charges Raised in Budget:			
Special Emergency Appropriations			
Accrued Sick and Vacation Time - 2011		806,000	
Accrued Sick and Vacation Time - 2012		568,000	
Accrued Sick and Vacation Time - 2013		454,000	
Accrued Sick and Vacation Time - 2014		330,000	
Revaluation		<u>420,000</u>	
Emergency Appropriations			
Snow Removal		<u>800,000</u>	
	A-3a		<u>3,378,000</u>
Balance: June 30, 2015	A		<u><u>\$ 10,808,898</u></u>
Analysis of Balance:			
2015 Deficit in Operations			\$ 529,898
Special Emergency Appropriations (40A:4-53.b)			
Revaluation			1,260,000
Special Emergency Appropriations (40A:4-53.h)			
Accrued Sick and Vacation Time - FY 2011			806,000
Accrued Sick and Vacation Time - FY 2012			1,136,000
Accrued Sick and Vacation Time - FY 2013			1,362,000
Accrued Sick and Vacation Time - FY 2014			1,320,000
Emergency Appropriations (40A:4-46)			
Insurance			3,955,000
Debt Service			<u>440,000</u>
			<u><u>\$ 10,808,898</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)**

	Ref.	Total	General Capital	Grants Fund	Other	Dedicated Revenue	Trust Funds		
							Private Duty	SID	CDBG
Increased by:									
Transfers	contra	\$ 12,385	\$ -	\$ 11,000	\$ -	\$ 1,385	\$ -	\$ -	\$ -
Appropriation Reserves	A-18	6,680	-	6,680	-	-	-	-	-
Budget Reimbursements	A-3a	1,669,508	387,413	1,248,837	-	19,640	-	-	13,618
Other Reserve	A-22	40,468	37,391	1	-	-	-	-	3,076
Tax Appeals	A-2a	1,722,929	1,722,929	-	-	-	-	-	-
Cancelled to Operations	A-1	9,162	-	9,162	-	-	-	-	-
Cash Disbursements	A-4	69,825,459	42,647,433	13,997,517	1,931,500	487,406	4,951,063	131	5,810,409
		73,286,591	44,795,166	15,273,197	1,931,500	508,431	4,951,063	131	5,827,103
Decreased by:									
Transfers	contra	12,385	-	1,385	-	-	-	-	11,000
Other Reserve	A-22	18,646	-	-	-	-	-	-	18,646
State and Federal Grants Matching	A-3a	813,170	-	813,170	-	-	-	-	-
Cash Receipts	A-4	67,227,971	41,058,611	12,992,455	1,931,500	496,754	4,951,063	131	5,797,457
Capital Improvement Fund Appropriation	A-3a	291,300	291,300	-	-	-	-	-	-
Chargebacks to Budget	A-3a	3,663,868	3,322,830	341,038	-	-	-	-	-
Appropriation Reserves Reimbursed	A-18	850	-	850	-	-	-	-	-
		72,028,190	44,672,741	14,148,898	1,931,500	496,754	4,951,063	131	5,827,103
Net Change in Interfunds		1,258,401	122,425	1,124,299	-	11,677	-	-	-
Balance: June 30, 2014									
Interfunds Payable	A	(122,425)	(122,425)	-	-	-	-	-	-
Balance: June 30, 2015									
Interfunds Receivable	A, A-1	\$ 1,135,976	\$ -	\$ 1,124,299	\$ -	\$ 11,677	\$ -	\$ -	\$ -

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF APPROPRIATION RESERVES**

	Balance: June 30, 2014		Balance After Transfers	Accounts Payable	Paid or Charged	Balance Lapsed
	Reserved	Encumbered				
(A) Operations - Within "CAPS"						
<u>GENERAL GOVERNMENT</u>						
Office of the Mayor						
Salaries and Wages	\$ 11,547	\$ -	\$ 47	-	\$ -	47
Other Expenses	3,787	361	3,048	-	2,698	350
City Council						
Salaries and Wages	16,274	-	74	-	-	74
Other Expenses	67,229	11,646	38,875	-	35,720	3,155
Office of the City Clerk						
Salaries and Wages	5,789	-	89	-	-	89
Other Expenses	4,875	39,138	41,813	7,549	31,268	2,996
Elections						
Other Expenses	68,213	38,600	113,813	-	113,638	175
Insurance						
Other Expenses	471,342	1,095,571	1,564,313	-	1,337,394	226,919
Worker Compensation	9,799	228,274	228,373	202,929	-	25,444
Liability	74,338	257,355	287,693	61,390	33,762	192,541
Auditing Services and Costs						
Annual Audit	41,000	-	41,000	41,000	-	-
Other Audits	25,000	-	5,000	-	-	5,000
Cultural Affairs						
Other Expenses	37,119	1,456	1,575	1,231	275	69
<u>DEPARTMENT OF ADMINISTRATION</u>						
Office of the Business Administrator						
Salaries and Wages	94,712	-	212	-	-	212
Other Expenses	25,370	4,178	4,548	-	1,969	2,579

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF APPROPRIATION RESERVES**

	Balance: June 30, 2014		Balance After Transfers	Accounts Payable	Paid or Charged	Balance Lapsed
	Reserved	Encumbered				
<b>DEPARTMENT OF ADMINISTRATION (continued)</b>						
Division of Personnel						
Other Expenses	\$ 2,510	\$ 5,706	\$ 7,516	\$ 668	\$ 6,014	\$ 834
Division of Purchasing						
Other Expenses	750	1,441	2,191	-	2,168	23
Division of Data Processing						
Other Expenses	19,133	114,934	118,067	47,224	69,314	1,529
Surveys and General - Other Expenses	21,072	12,442	18,514	4,558	13,002	954
<b>DEPARTMENT OF FINANCE</b>						
Office of the Director						
Salaries and Wages	5,263	-	63	-	-	63
Other Expenses	4,912	18,985	19,497	5,230	14,248	19
Division of Treasury						
Other Expenses	4,874	5,035	5,309	-	4,923	386
Division of Accounts and Control						
Salaries and Wages	11,576	-	76	-	-	76
Other Expenses	3,513	1,466	2,979	-	2,045	934
Division of Sewer Collection						
Other Expenses	6,490	2,927	3,117	132	2,487	498
Division of Assessments						
Salaries and Wages	10,153	-	153	-	-	153
Other Expenses	4,196	1,591	7,787	-	5,221	2,566
Division of Revenue Collection						
Other Expenses	34,309	4,663	32,872	199	31,363	1,310
Office of Internal Audit						
Other Expenses	1,608	2,114	2,222	1,996	12	214

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF APPROPRIATION RESERVES**

	Balance: June 30, 2014		Balance After Transfers	Accounts Payable	Paid or Charged	Balance Lapsed
	Reserved	Encumbered				
<b>DEPARTMENT OF LAW</b>						
Office of the Corporation Counsel						
Other Expenses	\$ 2,008	\$ 45,633	\$ 50,141	\$ 22	\$ 44,692	\$ 5,427
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
Taxicab Division						
Other Expenses	2,120	206	726	-	710	16
Division of Fire						
Salaries and Wages	9,775	-	24,775	-	-	24,775
Other Expenses	45,109	116,640	156,949	7,612	143,188	6,149
Division of Police						
Salaries and Wages	7,310	-	310	-	-	310
Other Expenses	15,947	241,633	334,580	28,045	294,179	12,356
<b>DEPARTMENT OF PUBLIC WORKS</b>						
Office of the Director						
Other Expenses	883	2,343	9,226	537	8,283	406
Division of Engineering						
Other Expenses	105,982	50,949	53,431	300	50,357	2,774
Division of Traffic and Lighting						
Salaries and Wages	687	-	687	-	-	687
Other Expenses	4,879	31,063	57,942	83	50,860	6,999
Division of Water and Sewers						
Other Expenses	16,243	69,763	251,006	2,463	181,742	66,801
Division of Streets						
Other Expenses	3,972	17,081	41,053	54	36,074	4,925
Street Repair	480	-	480	-	-	480



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF APPROPRIATION RESERVES**

	Balance: June 30, 2014		Balance After Transfers	Accounts Payable	Paid or Charged	Balance Lapsed
	Reserved	Encumbered				
<b>DEPARTMENT OF PUBLIC WORKS (continued)</b>						
Snow Removal						
Other Expenses	\$ 1,204	\$ 1,867	\$ 2,071	\$ -	12	\$ 2,059
Emergency	148,782	103,750	252,532	-	101,483	151,049
Division of Auto Maintenance						
Other Expenses	2,191	43,696	98,887	600	97,368	919
Division of Public Properties						
Parks and Shade Trees Section						
Other Expenses	11,192	32,681	53,873	868	43,679	9,326
Public Buildings Section						
Salaries and Wages	450	-	450	-	-	450
Other Expenses	6,348	66,783	205,131	16,224	174,802	14,105
Division of Recreation						
Other Expenses	5,439	46,748	107,587	3,656	90,180	13,751
Division of Recycling						
Other Expenses	4,003	3,858	7,861	-	7,822	39
Cable Communications						
Other Expenses	5,087	1,945	2,532	355	1,626	551
<b>DEPARTMENT OF COMMUNITY DEVELOPMENT</b>						
Division of Planning and Zoning						
Other Expenses	743	985	7,028	-	6,106	922
Division of Economic Development						
Other Expenses	1,056	1,638	2,694	-	1,092	1,602
<b>DEPARTMENT OF HUMAN SERVICES</b>						
Office of the Director						
Other Expenses	635	830	1,465	-	777	688

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF APPROPRIATION RESERVES**

	Balance: June 30, 2014		Balance After Transfers	Accounts Payable	Paid or Charged	Balance Lapsed
	Reserved	Encumbered				
<b>DEPARTMENT OF HUMAN SERVICES (continued)</b>						
Office of Aging and Disabled Services						
Other Expenses	3,907	\$ 282	\$ 889	-	\$ 524	\$ 365
Social Services	8,452	74,203	77,855	987	75,983	885
Division of Consumer Protection						
Other Expenses	1,218	1,525	2,843	1,423	292	1,128
Division of Youth Services						
Other Expenses	3,553	429	582	-	347	235
Division of Health						
Salaries and Wages	91	-	91	-	-	91
Other Expenses	8,812	26,266	32,078	-	26,896	5,182
<b>STATUTORY AGENCIES</b>						
Museum						
Other Expenses	10,464	13,964	15,428	-	12,308	3,120
Board of Adjustment						
Salaries and Wages	10,592	-	592	-	-	592
Other Expenses	4,596	209	4,805	-	1,693	3,112
Office of Emergency Management						
Other Expenses	7,779	10,715	10,994	3,952	6,216	826
Planning Board						
Salaries and Wages	6,006	-	6	-	-	6
Other Expenses	1,218	2,263	3,981	-	3,665	316
Youth Guidance Council						
Other Expenses	14,627	306	433	-	76	357
Historic Preservation Commission						
Salaries and Wages	5,606	-	106	-	-	106
Other Expenses	4,242	217	1,459	-	1,187	272

CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2014		Balance After Transfers	Accounts Payable	Paid or Charged	Balance Lapsed
	Reserved	Encumbered				
\$	25,340	\$ 2,840	\$ 12,880	-	\$ 11,258	\$ 1,622
	755	-	755	-	-	755
	51,310	15,669	60,579	-	56,622	3,957
	20,543	221,398	255,441	-	183,072	72,369
	29	403,466	403,495	43,430	360,036	29
	1,134	48,073	49,207	-	49,206	1
	-	70,494	70,494	51,100	19,394	-
	497	327	824	-	-	824
	4,700	125,604	142,504	-	102,746	39,758
	73,170	379,505	455,175	15,408	427,670	12,097

STATUTORY AGENCIES (continued)

Municipal Court  
Other Expenses

UNIFORM CONSTRUCTION CODE

Community Improvements  
Salaries and Wages  
Other Expenses

UNCLASSIFIED

Electricity  
Street Lighting  
Telephone Service  
Gas  
Fuel Oil  
Gasoline  
Solid Waste

(E) Deferred Charges and Statutory Expenditures within "CAPS"

(2) STATUTORY EXPENDITURES

Contribution to:

Public Employees Retirement System (PERS)  
Police and Firemen's Retirement System (PFRS)  
Social Security System (O.A.S.I.)  
Consolidated Police and Fire Retirement Fund  
Defined Contribution Retirement Program  
Medicare  
Unemployment Compensation Insurance

6,124  
1,238,747  
838  
2,981  
2,821  
1,806  
438

-  
-  
-  
-  
-  
-  
-

6,124  
1,238,747  
838  
2,981  
2,821  
1,806  
438

-  
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-

-  
1,238,747  
-  
-  
1,762  
-  
-

6,124  
-  
838  
2,981  
1,059  
1,806  
438

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF APPROPRIATION RESERVES**

	Balance: June 30, 2014		Balance After Transfers	Accounts Payable	Paid or Charged	Balance Lapsed
	Reserved	Encumbered				
(A) Operations - Excluded From "CAPS" Maintenance of Free Public Libraries	\$ 8,008	\$ 4,125	\$ 18,033	\$ -	\$ 15,773	\$ 2,260
(C) Capital Improvements - Excluded from "CAPS" Barbour Park Contamination	-	239,485	239,485	-	38,068	201,417
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 3,019,682</b>	<b>\$ 4,369,340</b>	<b>\$ 7,389,022</b>	<b>\$ 551,225</b>	<b>\$ 5,676,094</b>	<b>\$ 1,161,703</b>
	A	A-19		A-19		A-1
Cash Disbursements			A-4	\$ 5,727,425		
Reimburse Interfunds			A-17	850		
Other Reserves			A-22	14,666		
Less:				\$ 5,742,941		
Cash Receipts			A-4	60,167		
Reimbursed by Interfunds			A-17	6,680		
				66,847		
				\$ 5,676,094		

Ref.

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF REQUISITIONS AND ACCOUNTS PAYABLE**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 5,755,160
Increased by Open Contracts and Purchase Orders:			
Appropriation Reserves	A-18	\$ 551,225	
Budget Appropriations	A-3	2,512,944	
Reserve for State Library Aid	A-30	<u>8,489</u>	
			<u>3,072,658</u>
			8,827,818
Decreased by:			
Cash Disbursements	A-4	769,894	
Accounts Payable Cancelled	A-1	228,170	
Opening Requisition Balances Added to:			
Appropriation Reserves	A-18	4,369,340	
Reserve for State Library Aid	A-30	<u>4,718</u>	
			<u>5,372,122</u>
Balance: June 30, 2015	A		<u>\$ 3,455,696</u>
	Requisitions Payable		\$ 2,521,433
	Accounts Payable		<u>934,263</u>
			<u>\$ 3,455,696</u>

**SCHEDULE OF PREPAID TAXES**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 130,774
Increased by:			
Cash Receipts	A-5	<u>91,898</u>	
			222,672
Decreased by:			
Applied to Current Year Taxes	A-7	<u>130,774</u>	
Balance: June 30, 2015	A		<u>\$ 91,898</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF TAX OVERPAYMENTS**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 2,582,072
Increased by:			
Overpayments of Current Taxes	A-2a	\$ 1,464,142	
Operations Charged for Overpayment Refunds			
State Tax Appeals of Prior Year Taxes	A-1	7,643,705	
Other Overpayments	A-1	<u>39,947</u>	
			<u>9,147,794</u>
			11,729,866
Decreased by:			
Cash Disbursements	A-4		<u>8,346,276</u>
Balance: June 30, 2015	A		<u><u>\$ 3,383,590</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF OTHER RESERVES**

	<u>Ref.</u>	<u>Total</u>	<u>Property Tax Suspense</u>	<u>Other Reserve</u>
Increased by:				
Transfers	contra	41,427	-	41,427
Cash Receipts	A-5	135,361	121,647	13,714
Miscellaneous Revenues Not Anticipated	A-2b	3,446	-	3,446
Chargebacks to Budget	A-3a	1,329,539	-	1,329,539
Reclass - Revenue	A-15	203,853	-	203,853
Charges to Operations	A-1	174,645	-	174,645
Interfunds	A-17	40,468	-	40,468
Appropriation Reserves	A-18	14,666	-	14,666
		<u>1,943,405</u>	<u>121,647</u>	<u>1,821,758</u>
Decreased by:				
Transfers	contra	41,427	41,427	-
Interfunds	A-17	18,646	-	18,646
Cash Disbursements	A-4	1,803,112	-	1,803,112
		<u>1,863,185</u>	<u>41,427</u>	<u>1,821,758</u>
Net Increase		80,220	80,220	-
Balance: June 30, 2014	A	<u>36,372</u>	<u>36,372</u>	<u>-</u>
Balance: June 30, 2015	A	<u>\$ 116,592</u>	<u>\$ 116,592</u>	<u>\$ -</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF PREPAID SEWERS**

	<u>Ref.</u>	
Balance: June 30, 2014	A	\$ 2,672
Increased by:		
Cash Receipts	A-5	871
		<u>3,543</u>
Decreased by:		
Applied to Current Year Charges	A-10	2,672
		<u>2,672</u>
Balance: June 30, 2015	A	<u><u>\$ 871</u></u>

**Exhibit A-24**

**SCHEDULE OF SEWER OVERPAYMENTS**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	A	<u><u>\$ 48,199</u></u>



**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE**

	<u>Ref.</u>		
Balance: June 30, 2014			\$ -
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015	A-2a	39,461,155	<u>39,461,155</u>
Decreased by:			
Cash Disbursements	A-4	39,461,008	
Miscellaneous Adjustment to Levy		<u>147</u>	<u>39,461,155</u>
Balance: June 30, 2015			<u><u>\$ -</u></u>
2015 Liability for Local District School Tax:			
Tax Paid			\$ 39,461,008
Tax Payable - June 30, 2015			<u>-</u>
			39,461,008
Less: Tax Payable June 30, 2014			<u>-</u>
Amount Charged to 2015 Operations	A-1		<u><u>\$ 39,461,008</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>	
Balance: June 30, 2014		\$ -
Increased by:		
General County Levy	\$ 42,423,662	
County Open Space Preservation Levy	651,375	
Due County for Added and Omitted Taxes	<u>41,847</u>	
	A-2a	<u>43,116,884</u>
		43,116,884
Decreased by:		
Cash Disbursements	A-4	<u>43,116,884</u>
Balance: June 30, 2015		<u><u>\$ -</u></u>
2015 Liability for County Tax:		
Tax Paid		\$ 43,116,884
Tax Payable - June 30, 2015		<u>-</u>
		43,116,884
Less: Tax Payable June 30, 2014		<u>-</u>
Amount Charged to 2015 Operations		<u><u>\$ 43,116,884</u></u>
	A-1	\$ 43,075,037
	A-1	<u>41,847</u>
		<u><u>\$ 43,116,884</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF EMERGENCY AND SPECIAL EMERGENCY NOTES PAYABLE**

Ordinance Number	Original		Date of Issue	Maturity Date	Interest Rate	Balance June 30, 2014	Issued	Refunded	Paid by Appropriation	Balance June 30, 2015
		Amount								
Accrued Sick and Vacation Time										
11-011	02/08/2011	\$ 4,030,000	6/3/2014	6/3/2015	1.500%	\$ 664,400	\$ -	\$ 226,000	\$ 438,400	\$ -
			6/3/2015	12/15/2015	3.750%	-	226,000	-	-	226,000
			6/3/2014	6/3/2015	1.500%	947,600	-	580,000	367,600	-
			6/3/2015	12/15/2015	3.750%	-	580,000	-	-	580,000
Accrued Sick and Vacation Time										
12-012	02/14/2012	2,840,000	6/3/2014	6/3/2015	1.500%	1,274,400	-	849,600	424,800	-
			6/3/2015	12/15/2015	3.750%	-	849,600	-	-	849,600
			6/3/2014	6/3/2015	1.500%	429,600	-	286,400	143,200	-
			6/3/2015	12/15/2015	3.750%	-	286,400	-	-	286,400
Accrued Sick and Vacation Time										
12-051	12/18/2012	2,270,000	6/3/2014	6/3/2015	1.500%	1,067,200	-	800,400	266,800	-
			6/3/2015	12/15/2015	3.750%	-	800,400	-	-	800,400
			6/3/2014	6/3/2015	1.500%	748,800	-	561,600	187,200	-
			6/3/2015	12/15/2015	3.750%	-	561,600	-	-	561,600
Accrued Sick and Vacation Time										
14-009	06/03/2014	1,650,000	6/3/2014	6/3/2015	1.500%	1,150,000	-	920,000	230,000	-
			6/3/2015	12/15/2015	3.750%	-	920,000	-	-	920,000
			6/3/2014	6/3/2015	1.500%	500,000	-	400,000	100,000	-
			6/3/2015	12/15/2015	3.750%	-	400,000	-	-	400,000

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF EMERGENCY AND SPECIAL EMERGENCY NOTES PAYABLE**

Ordinance Number	Original		Date of Issue	Maturity Date	Interest Rate	Balance June 30, 2014	Issued	Refunded	Paid by Appropriation	Balance June 30, 2015
	Date of Issue	Amount								
Revaluation 13-011	03/26/2013	\$ 2,100,000	6/3/2014	6/3/2015	1.500%	\$ 1,680,000	\$ -	\$ 1,260,000	\$ 420,000	\$ -
	6/3/2015		6/3/2015	12/15/2015	3.750%	-	1,260,000	-	-	1,260,000
Insurance 15:041	06/03/2015	\$ 3,955,000	6/3/2015	12/15/2015	3.750%	-	3,955,000	-	-	3,955,000
Debt Service 15:041	06/03/2015	\$ 440,000	6/3/2015	12/15/2015	3.750%	-	440,000	-	-	440,000
						<u>Ref.</u>	<u>\$ 10,279,000</u>	<u>\$ 5,884,000</u>	<u>\$ 2,578,000</u>	<u>\$ 10,279,000</u>
						A	A-4	A-4	A-4	A
						Cash Received on New Notes Issued	\$ 4,395,000			
						Cash Received on Renewed Notes	5,884,000			
							<u>\$ 10,279,000</u>			

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR ACCRUED SICK AND VACATION TIME**

Balance: June 30, 2014	<u>Ref.</u> A	\$ 613,163
Decreased by:		
Cash Disbursements	A-4	<u>5,648</u>
Balance: June 30, 2015	A	<u><u>\$ 607,515</u></u>

## Exhibit A-29

**SCHEDULE OF RESERVE FOR DEPOSITS ON SALE OF  
PROPERTY ACQUIRED FOR TAXES**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	A	<u><u>\$ 6,250</u></u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR STATE LIBRARY AID**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 30,850
Increased by:			
Cash Receipts	A-4	\$ 91,254	
Prior Year Requisitions Payable	A-19	<u>4,718</u>	
			<u>95,972</u>
			126,822
Decreased by:			
Cash Disbursements	A-4	29,747	
Requisitions Payable	A-19	<u>8,489</u>	
			<u>38,236</u>
Balance: June 30, 2015	A		<u>\$ 88,586</u>

Exhibit A-31

**SCHEDULE OF RESERVE FOR LIBRARY FINES AND DONATIONS**

Balance: June 30, 2014	<u>Ref.</u> A		\$ 2,977
Increased by:			
Cash Receipts	A-4		<u>77,780</u>
Balance: June 30, 2015	A		<u>\$ 80,757</u>

**CITY OF PATERSON  
CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR ABC LICENSE SURCHARGE**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	A	\$ 235,000

**Exhibit A-33**

**SCHEDULE OF RESERVE FOR STATE TAX APPEALS**

	<u>Ref.</u>	
Balance: June 30, 2014	A	\$ 497,164
Decreased by:		
Apply to Refunds of Current Year Tax Due to Appeals	A-2a	497,164
Balance: June 30, 2015		\$ -

**Exhibit A-34**

**SCHEDULE OF RESERVE FOR REVALUATION**

	<u>Ref.</u>	
Balance: June 30, 2014	A	\$ 2,074,619
Decreased by:		
Cash Disbursements	A-4	1,773,486
Balance: June 30, 2015	A	\$ 301,133

CITY OF PATERSON

REPORT OF AUDIT  
FY 2015

**SUPPLEMENTARY DATA SECTION:  
FEDERAL AND STATE GRANTS FUND  
SCHEDULES**



**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Description	Balance, June 30, 2014	Current Year Awards		Cash Receipts	Unappropriated Reserve	Re-Allocations / Cancellations	Balance, June 30, 2015
		Budget as Adopted	Added by NJSA 40A:4-87				
NJ Department of Commerce and Economic Development (UEZ)							
Main St. Improvement Program - Phase I FY04	\$ 48,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,431
Business Improvement Grant - Phase II	91,308	-	-	-	-	-	91,308
Marketing & Business Dev. - Phase II FY08	80,546	-	-	9,053	-	-	71,493
Sidewalk Matching Grant - Phase II FY08	18,233	-	-	-	-	-	18,233
Streetscape Planters Project	9,035	-	-	-	-	-	9,035
Surveillance Cameras	95,490	-	-	95,490	-	-	-
Passed through Paterson Restoration Corp:							
Clean Communities Project	210,640	-	-	-	-	-	210,640
Administration	12,052	-	-	-	-	-	12,052
Administration	123,243	-	-	77,402	-	-	45,841
Administration	-	242,031	-	85,137	-	-	156,894
William Paterson University Small							
Business Development Center Year 15	36,865	-	-	-	-	-	36,865
William Paterson University Small							
Business Development Center Year 16	-	50,000	-	-	-	-	50,000
NJ Department of Environmental Protection							
Municipal Storm Water Regulation Program	10,310	-	-	-	-	-	10,310
Solid Waste Administration:							
2012 Recycling Tonnage Grant	-	-	221,874	221,874	-	-	-
FY2015 Clean Communities Program	-	-	193,565	193,565	-	-	-
NJ Economic Development Authority - Hazardous Discharge Site Remediation							
Addy Mill	30,432	-	-	-	-	-	30,432
Cliff Street / Belmont Apartments	20,264	-	-	-	-	-	20,264
NJ Department of Community Affairs							
Life Hazard Use Fees - LEA Rebate 2013	-	263,500	-	29,070	-	-	234,430
Life Hazard Use Fees - LEA Rebate 2014	186,741	-	-	166,282	-	-	20,459

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Description	Balance, June 30, 2014	Current Year Awards		Cash Receipts	Unappropriated Reserve	Re-Allocations / Cancellations	Balance, June 30, 2015
		Budget as Adopted	Added by NJS A 40A:4-87				
NJ Department of Law and Public Safety							
Safe and Secure Communities Program	\$ -	\$ 199,563	\$ -	\$ 199,563	\$ -	\$ -	\$ -
Drunk Driving Enforcement Fund	-	11,448	-	-	-	-	11,448
Drunk Driving Enforcement Fund	-	-	10,897	10,897	-	-	-
Body Armor Replacement Fund	-	34,409	-	34,409	-	-	-
FY2015 Pedestrian Safety Grant	-	16,000	-	-	-	-	16,000
Passed Through Passaic County Youth Services Commission							
Evening Reporting Program 2013	6,934	-	-	-	-	-	6,934
Evening Reporting Program 2014	105,975	-	-	72,341	-	-	33,634
Evening Reporting Program 2015	-	-	103,855	-	-	-	103,855
NJ Department of Health and Senior Services							
Passed through County of Passaic:							
Public Health Preparedness and Response for Bioterrorism	-	226,525	-	159,787	-	-	66,738
Public Health Preparedness and Response for Bioterrorism Grant	61,742	-	-	61,742	-	-	-
Healthy Communities Grant	-	-	12,000	12,000	-	-	-
Passed through County of Passaic Youth Services Commission							
Paterson Station House Adjustment Component:							
Paterson Station House Adj. Program (2014)	18,869	-	-	18,869	-	-	-
NJ Department of Children and Families							
School Based Youth Services Program - School Linked State	-	310,190	-	310,190	-	-	-
Parent Linking Program	-	149,897	-	149,897	-	-	-
Passed Through Passaic County Youth Services Commission							
Total Lifestyle Support Program	247	-	-	-	-	-	247
Total Lifestyle Support Program - Additional	24,553	-	-	20,460	-	-	4,093
Total Lifestyle and Support Program	82,633	-	-	82,633	-	-	-
Total Lifestyle and Support Program	-	-	86,980	21,162	-	-	65,818

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Description	Balance, June 30, 2014	Current Year Awards		Cash Receipts	Unappropriated Reserve	Re-Allocations / Cancellations	Balance, June 30, 2015
		Budget as Adopted	Added by NJS A 40A:4-87				
NJ Historic Trust Hinchliffe Stadium Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
NJ Highlands Water Protection and Planning Council Transfer of Development Rights Feasibility Grant Program	50,000	-	-	-	-	-	50,000
NJ Governor's Council on Alcohol and Drug Abuse (GCADA) Passed through County of Passaic:							
Paterson Municipal Alliance Prevention Progra	27,251	-	-	22,762	-	-	4,489
Paterson Municipal Alliance Prevention Program (PMAPP) FY2015 Municipal Alliance Strategic Plan	-	15,410	46,231	-	-	-	61,641
NJ Department of State NJ Historical Commission							
Deleware-Lenape Culture Permanent Exhibit of the Paterson Museum	240	-	-	-	-	-	240
US Department of Energy Energy Efficiency and Renewal Grant	1,149,800	-	-	-	-	9,161	1,158,961
US Department of Health and Human Services Special Projects of National Significance Grant	-	500,000	-	-	-	-	500,000
Ryan White HIV Program / HIV Emergency Relief Project Grants	-	-	3,295,222	160,269	-	-	3,134,953
Ryan White HIV Program / HIV Emergency Relief Project Grants	616,142	3,097,922	-	3,667,816	-	-	46,248

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Description	Balance, June 30, 2014	Current Year Awards		Cash Receipts	Unappropriated Reserve	Re-Allocations / Cancellations	Balance, June 30, 2015
		Budget as Adopted	Added by NJSA 40A:4-87				
US Department of Health and Human Services (continued)							
Passed through NJ Department of Health and Senior Services:							
Sexually Transmitted Disease (STD) 2015	\$ -	\$ 88,535	\$ -	\$ 70,596	\$ -	\$ -	\$ 17,939
Sexually Transmitted Disease (STD) 2014	22,181	-	-	22,181	-	-	-
Tuberculosis Control (TB), Specialty Clinic Services 2014	56,996	-	-	56,996	-	-	-
Tuberculosis Control (TB), Specialty Clinic Services 2015	-	208,700	-	101,045	-	-	107,655
Tuberculosis Clinical, Nursing Case Management and Outreach Services	75,959	-	-	75,959	-	-	-
Tuberculosis Clinical, Nursing Case Management and Outreach Services	-	97,254	-	77,232	-	-	20,022
Child Health 2014	66,632	-	-	66,632	-	-	-
Child Health 2015	-	230,846	-	159,877	-	-	70,969
HIV/AIDS Counseling and Testing/Notification Assistance Program	139,167	-	-	139,167	-	-	-
HIV/AIDS Counseling and Testing/Notification Assistance Program	-	243,400	243,400	163,323	-	(243,400)	80,077
Passed through National Association of County and City Health Officials: Medical Reserve Corps Grant	-	3,500	-	3,500	-	-	-
Passed through County of Passaic Department of Senior Services, Disability and Veterans Affairs							
Senior Citizen & Disabled Transportation 2013	3,982	-	-	-	-	-	3,982
Senior Citizen & Disabled Transportation Assistance	222,000	-	-	175,540	-	-	46,460
Senior Citizen & Disabled Transportation Assistance	-	202,000	-	-	-	-	202,000

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Description	Balance, June 30, 2014	Current Year Awards		Cash Receipts	Unappropriated Reserve	Re-Allocations / Cancellations	Balance, June 30, 2015
		Budget as Adopted	Added by NJS A 40A:4-87				
US Department of Justice							
COPS Hiring Program (CHP)	\$ 1,672,510	\$ -	\$ -	\$ 508,927	\$ -	\$ -	\$ 1,163,583
Passed through NJ Department of Law and Public Safety							
Byrne Memorial Law Enforcement Tech. Grant	103,222	-	-	103,222	-	-	-
Passed through City of Passaic							
Byrne Memorial Justice Assistance Grant (200	12,254	-	-	12,225	-	-	29
Byrne Memorial Justice Assistance Grant (201	16,010	-	-	-	-	(15,838)	172
Byrne Memorial Justice Assistance Grant (201	41,321	-	-	-	-	(39,407)	1,914
Byrne Memorial Justice Assistance Grant (201	37,389	-	-	-	-	67,471	104,860
2013 Byrne Memorial Justice Assistance							
Grant - Joint Application for the Cities of							
Clifton, Passaic and Paterson	131,306	-	-	-	-	-	131,306
2014 Byrne Memorial Justice Assistance							
Grant - Joint Application for the Cities of							
Clifton, Passaic and Paterson	-	147,423	-	-	-	-	147,423
US Department of Homeland Security - Federal Emergency Management Agency							
FY2012 SAFER Veteran Hiring Program	2,946,461	-	-	2,876,270	-	-	70,191
Hurricane Sandy	23,583	-	-	151,214	-	-	(127,631)
Hazardous Mitigation Grant	4,322,336	-	-	-	-	-	4,322,336
FY 2013 Assistance to Firefighters Grant							
Program - Fire Prevention and Safety Grants	-	54,878	-	54,878	-	-	-
FY 2013 Assistance to Firefighters Grant							
Program - Fire Prevention and Safety Grants	-	639,576	-	639,576	-	-	-
Blue Acres Fund	1,440,779	-	-	139,429	-	-	1,301,350
US Department of Interior							
Passed through NJ Department of Environmental Protection							
Historic Preservation Fund Grants-In-Aid:							
CLG Historic District Grant	-	23,835	-	-	-	-	23,835

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Description	Balance, June 30, 2014	Current Year Awards		Cash Receipts	Unappropriated Reserve	Re-Allocations / Cancellations	Balance, June 30, 2015
		Budget as Adopted	Added by NJS A 40A:4-87				
US Department of Agriculture							
Passed through NJ Department of Health and Senior Services							
Senior Farmer's Market Nutrition Project	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ -	\$ -
US Department of Housing and Urban Development							
Passed through County of Passaic							
CDBG-R Disaster Recovery Fuds	2,075,000	-	-	130,000	-	-	1,945,000
US Department of Transportation/FHWA							
Passed through NJ Transportation Planning Authority / NJIT-Rutgers office of Research and Sponsored Programs							
HUD Sustainable Community Planning							
Grant - North Jersey Sustainable							
Community Program Administration	10,000	-	-	-	-	-	10,000
Passed through NJ Department of Transportation							
Spruce - McBride Intersection	175,999	-	-	-	-	-	175,999
Passaic County Open Space and Farmland Preservation Trust Fund							
Overlook Park Improvements	143,059	-	-	-	-	-	143,059
Mary Ellen Kramer Park Improvements	21,677	-	-	21,677	-	-	-
Mary Ellen Kramer Park Imp. - Phase II	125,000	-	-	125,000	-	-	-
Mary Ellen Kramer Park Imp. - Phase III	50,000	-	-	-	-	-	50,000
Mary Ellen Kramer Park Imp. - Phase IV	95,000	-	-	-	-	-	95,000
Mary Ellen Kramer Park Rollover	45,000	-	-	-	-	-	45,000
Middle-Lower Raceway	45,000	-	-	-	-	-	45,000
Middle-Lower Raceway - Invest. & Design	40,000	-	-	-	-	-	40,000
Passaic River Waterfront Study	30,000	-	-	-	-	-	30,000
Analysis of Pocket Parks	11,672	-	-	-	-	-	11,672
Pennington Park Gazebo	73,445	-	-	39,790	-	-	33,655
2013 Eastside Park Concession Stand /							
Cricket House	260,000	-	-	-	-	-	260,000

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Description	Balance, June 30, 2014	Current Year Awards		Cash Receipts	Unappropriated Reserve	Re-Allocations / Cancellations	Balance, June 30, 2015
		Budget as Adopted	Added by NJSA 40A:4-87				
Downtown Commercial Historic District Grant	\$ 18,000	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -
Private Donations							
Community Foundation of New Jersey of Morristown, NJ							
Summer 2014 T-GARP Support Grant	-	20,000	-	20,000	-	-	-
Pinchak Pharmacy Museum Exhibit Grant	-	711	-	-	711	-	-
Mineral Display Grant	-	5,000	-	5,000	-	-	-
Dan Oliff Memorial Veterans Exhibition	-	10,000	-	10,000	-	-	-
	<u>\$ 18,170,916</u>	<u>\$ 7,093,053</u>	<u>\$ 4,214,024</u>	<u>\$ 11,850,426</u>	<u>\$ 711</u>	<u>\$ (222,013)</u>	<u>\$ 17,404,843</u>
Ref.	A	A-36	A-36	A-36	A-38		A
Life Hazard Use Fees	\$ 263,500	\$ 263,500			A-37	\$ (243,400)	
Public and Private Prc	<u>6,829,553</u>	<u>6,829,553</u>			A-36	<u>21,387</u>	
		<u>\$ 7,093,053</u>				<u>\$ (222,013)</u>	

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF INTERFUNDS PAYABLE**

Balance: June 30, 2014	<u>Ref.</u>		\$ -
Increased by:			
Adopted Grant Revenues		\$ 6,829,553	
Life Hazard Use Fees		<u>263,500</u>	
	A-35	7,093,053	
Chapter 159 Grant Revenues	A-35	4,214,024	
Adjustments to Receivables	A-35	21,387	
Grant Expenditures Paid by Current	A-37	<u>14,906,089</u>	
			<u>26,234,553</u>
			26,234,553
Decreased by:			
Appropriated in Adopted Budget		\$ 6,829,553	
Chapter 159 Appropriation		<u>4,214,025</u>	
		11,043,578	
Life Hazard Use Fees		<u>263,500</u>	
	A-37	11,307,078	
City Match	A-37	813,170	
Allocation of Interfund	A-4	1,139,580	
Grant Funds Collected in Current	A-35	<u>11,850,426</u>	
			<u>25,110,254</u>
Balance: June 30, 2015	A		<u><u>\$ 1,124,299</u></u>



**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

Department and Program	Balance: June 30, 2014		Current Year Awards	City Match	Paid or Charged	Adjusted/Cancelled	Balance: June 30, 2015			
	Reserved	Encumbered					Encumbered	Reserved		
<b><u>FEDERAL GRANTS</u></b>										
<u>US Department of Health and Human Services</u>										
Special Projects of National Significance 9/1/14 - 8/31/17	\$	-	\$	500,000	\$	-	\$	257,634	\$	221,700
Minority Aids Initiative Program 3/14-2/15	-	-	-	277,230	-	-	-	-	-	235,920
(Ryan White 3/1/14-2/28/15) HIV Emergency Relief Project Grants	-	-	-	3,017,992	-	-	-	292,615	-	2,131,011
Minority Aids Initiative Program 3/14-2/15	72,787	-	-	253,075	-	-	-	314,078	-	11,784
(Ryan White 3/1/14-2/28/15) HIV Emergency Relief Project Grants	448,712	93,304	-	2,844,847	-	-	-	3,352,370	-	34,493
HIV/AIDS Counseling and Testing/Notification Assistance Program	4,169	18,278	-	-	-	-	-	22,447	-	-
HIV/AIDS Counseling and Testing/Notification Assistance Program	-	-	-	486,800	-	-	243,400	23,321	-	4,418
Passed through NJ Department of Health and Senior Services										
Sexually Transmitted Disease (STD) 2014	379	48	-	-	427	-	-	-	-	-
Sexually Transmitted Disease (STD) 2015	-	-	-	88,535	-	-	-	360	-	192
Tuberculosis Control	1,723	956	-	-	2,679	-	-	-	-	-
Tuberculosis Control (TB), Specialty Clinic Services 2015	-	-	-	208,700	-	-	-	2,533	-	90
Tuberculosis Clinical, Nursing Case Mgmt. and Outreach Services	-	-	-	97,254	-	-	-	3,140	-	48,628
Tuberculosis Clinical, Nursing Case Mgmt. and Outreach Services	48,878	1,410	-	-	49,280	-	-	-	-	1,008
Child Health 2014	4,658	7,670	-	-	12,328	-	-	-	-	-
Child Health 2015	-	-	-	230,846	-	-	-	19,950	-	498
Passed through National Association of County and City Health Officials										
Medical Reserve Corps Grant	3,500	-	-	-	3,427	-	-	-	-	73
Medical Reserve Corps Grant	-	-	-	3,500	-	-	-	-	-	1,759
Passed through County of Passaic Department of Senior Services, Disability and Veterans Affairs										
Senior Citizen & Disabled Transportation Assistance (1)	148,071	148	-	-	147,930	-	-	78	-	211
Senior Citizen & Disabled Transportation Assistance (2)	-	-	-	202,000	-	-	-	725	-	117,684
<u>US Department of Transportation/FHWA</u>										
Passed through NJ Transportation Planning Authority / NJIT-Rutgers office of Research and Sponsored Programs										
HUD Sustainable Community Planning Grant - North Jersey Sustainable	9,985	-	-	-	-	-	-	-	-	9,985
Passed through NJ Department of Transportation										
Spruce-McBride Avenue Intersection	173,396	2,170	-	-	53,935	-	-	12,835	-	108,796
<u>US Department of Interior</u>										
Passed through NJ Department of Environmental Protection										
Historic Preservation Fund Grants-In-Aid: CLG Historic District Grant	-	-	-	23,835	-	-	-	-	-	23,835

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

Department and Program	Balance: June 30, 2014		Current Year Awards	City Match	Paid or Charged	Adjusted/Cancelled	Balance: June 30, 2015	
	Reserved	Encumbered					Encumbered	Reserved
<b>FEDERAL GRANTS (continued)</b>								
<u>US Department of Energy</u>								
Energy Efficiency & Renewal	\$ 972,742	\$ 57,205	\$ -	\$ -	\$ -	\$ -	\$ 57,205	\$ 972,742
<u>US Department of Justice</u>								
COPS Hiring Program (CHP)	1,672,510	-	-	-	508,927	-	-	1,163,583
Bulletproof Vest Partnership Program	-	3,285	-	-	-	-	3,285	-
Passed through City of Passaic								
Edward Byrne Memorial Justice Assistance Equipment Grant 2011	446	720	-	-	-	-	720	446
2013 Byrne Memorial Justice Assistance Grant - Joint Application for the Cities of Clifton, Passaic and Paterson	131,306	-	-	-	-	-	-	131,306
2014 Byrne Memorial Justice Assistance Grant - Joint Application for the Cities of Clifton, Passaic and Paterson	-	-	147,423	-	-	-	-	147,423
Edward Byrne Memorial Justice Assistance Salaries Grant 2013	61,453	27,391	-	-	54,651	-	18,217	15,976
Edward Byrne Memorial Law Enforcement Technology Grant	-	97,069	-	-	97,069	-	-	-
<u>US Department of Homeland Security - Federal Emergency Management Agency</u>								
FY2012 SAFER Veteran Hiring Program	3,043,618	-	-	-	3,043,618	-	-	-
FEMA Firefighters Station Construction	-	250,442	-	-	250,442	-	-	-
FY 2013 Assistance to Firefighters Grant Program - Fire Prevention and Safety Grants	-	-	639,576	71,064	710,640	-	-	-
FY 2013 Assistance to Firefighters Grant Program - Fire Prevention and Safety Grants	-	-	54,878	2,888	57,766	-	-	-
FEMA - Assistance to Firefighters Grant 2010	65,951	-	-	-	-	-	-	65,951
FY2011 Assistance to Firefighters Grant - Fire Prevention and Safety Grants	100	-	-	-	-	-	-	100
Blue Acres Fund	5,292,659	372,336	-	-	1,052,049	-	361,918	4,251,028
State Police, Fire Urban Search and Rescue (USAR); Metro Strike Team, Structure Collapse and Annual Must Exercise FD Programs	105,690	-	-	-	17,436	-	-	88,254
<u>US Department of Agriculture</u>								
NIDOH Senior Farmer's Market	-	-	500	-	-	-	-	500

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

Department and Program	Balance: June 30, 2014		Current Year Awards	City Match	Paid or Charged	Adjusted/Cancelled	Balance: June 30, 2015	
	Reserved	Encumbered					Encumbered	Reserved
<b><u>FEDERAL GRANTS (continued)</u></b>								
<u>US Department of Housing and Urban Development</u>								
Passed through County of Passaic								
CDBG-R Disaster Recovery Fuds	\$ 2,075,000	\$ -	\$ -	\$ -	\$ 133,950	\$ -	\$ 75,000	\$ 1,866,050
TOTAL FEDERAL GRANTS	\$ 14,337,733	\$ 932,432	\$ 9,076,991	\$ 73,952	\$ 11,392,728	\$ 243,400	\$ 1,129,536	\$ 11,655,444
<b><u>STATE GRANTS</u></b>								
<u>NJ Department of Commerce and Economic Development</u>								
Urban Enterprise Zone Grants								
Main Street Improvement Program - Phase I	\$ 48,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,431
Business Improvement Phase II Matching Grant 2006	2,198	-	-	-	-	-	-	2,198
Marketing & Business Development Prog. Phase II	74,489	-	-	-	15,640	-	-	58,849
Streetscape Planters Project	9,035	-	-	-	-	-	-	9,035
Passed through Paterson Restoration Corp.								
William Paterson University Small Business Dev. Center Year 15	-	30,477	-	-	27,138	-	3,339	-
William Paterson University Small Business Dev. Center Year 16	-	-	50,000	-	17,919	-	32,081	-
Clean Communities Project	144,105	583	-	-	-	-	16,883	127,805
Administration 2014	21,652	1,751	-	-	3,218	-	906	19,279
Administration 2015	-	-	242,031	-	119,874	-	5,339	116,818
<u>NJ Department of Environmental Protection</u>								
Municipal Storm Water Regulation Program	538	-	-	-	-	-	-	538
Recycling Tonnage Grant 2008	-	-	221,874	-	-	-	-	221,874
Recycling Tonnage Grant	222,858	-	-	-	106,921	-	79	115,858
NJDEP Recycling Tonnage Grant	113,173	13,611	-	-	2,784	-	-	124,000
NJDEP Clean Communities	475	733	-	-	700	-	411	97
NJDEP Clean Communities	159,203	-	-	-	138,995	-	18,026	2,182
Solid Waste Administration - FY2015 Clean Communities Program Grant	-	-	193,566	-	863	-	-	192,703
<u>NJ Department of Community Affairs</u>								
Life Hazard Use Fees - LEA Rebate 2014	88,714	-	-	-	88,714	-	-	-
Life Hazard Use Fees - LEA Rebate 2015	-	-	263,500	-	263,500	-	-	-

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

Department and Program	Balance: June 30, 2014		Current Year Awards	City Match	Paid or Charged	Adjusted/Cancelled	Balance: June 30, 2015	
	Reserved	Encumbered					Encumbered	Reserved
<b><u>STATE GRANTS (continued)</u></b>								
NJ Economic Development Authority - Hazardous Discharge Site Remediation								
Cliff Street/Belmont Apartments	\$	20,263	\$	-	\$	-	\$	-
36-40 Straight Street	-	2,740	-	-	2,740	-	-	-
533-539 Totowa Salvatore Site	-	24,035	-	-	24,035	-	-	-
Addy Mill	-	83,449	-	-	83,449	-	-	-
ATP	-	90,896	-	-	90,896	-	-	-
ATP	500	-	-	-	-	-	-	500
Columbia Textile Phase II	200	-	-	-	-	-	-	200
Columbia Textile Phase III	-	130,549	-	-	99,615	-	30,934	-
Riverwalk	-	66,292	-	-	66,292	-	-	-
Local Tourism Grant - Passaic Falls Overlook Park	-	41,290	-	-	-	-	41,290	-
<b><u>NJ Department of Law and Public Safety</u></b>								
Safe & Secure Communities Program	-	-	199,563	739,218	938,781	-	-	-
Body Armor Replacement Fund	-	41,714	-	-	34,388	-	7,326	-
Body Armor Replacement Fund	-	-	34,409	-	-	-	-	34,409
Body Armor Replacement Fund	-	16,968	-	-	16,968	-	-	-
DWI Drunk Driving Enforcement Fund	-	-	22,345	-	10,670	-	-	11,675
Operation Cease Fire	15,000	-	-	-	-	-	-	15,000
FY2015 Pedestrian Safety Grant	-	-	16,000	-	15,200	-	-	800
Passaic County Youth Services Commission	-	-	-	-	-	-	-	-
Evening Reporting Program 2009	68,606	-	-	-	-	-	-	68,606
Evening Reporting Program 2010	100,013	-	-	-	-	-	-	100,013
Evening Reporting Program 2011	905	-	-	-	-	-	-	905
Evening Reporting Program 2012	4,381	-	-	-	-	-	-	4,381
Evening Reporting Program 2013	7,514	100	-	-	-	-	100	7,514
Evening Reporting Program 2014	93,982	-	-	-	62,401	-	1,348	30,233
Evening Reporting Program 2015	-	-	103,855	-	12,055	-	-	91,800
<b><u>NJ Department of Judiciary</u></b>								
Alcohol Education Rehabilitation Enforcement Fund / Alcohol Education	422	-	-	-	-	-	-	422
Alcohol Education Enforcement Fund	1,244	-	-	-	-	-	-	1,244

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

Department and Program	Balance: June 30, 2014		Current Year Awards	City Match	Paid or Charged	Adjusted/Cancelled	Balance: June 30, 2015	
	Reserved	Encumbered					Encumbered	Reserved
STATE GRANTS (continued)								
NJ Historic Trust								
Hinchliffe Stadium Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 500,000
NJ Department of Health and Senior Services								
Healthy Communities Grant	-	-	12,000	-	-	-	12,000	
Passed through County of Passaic								
Bioterrorism Preparedness	2,960	4,006	-	-	3,654	-	10	3,302
Public Health Preparedness and Response for Bioterrorism FY15	-	-	226,525	-	220,280	-	5,140	1,105
NJ Department of Human / Youth Services								
Passed through County of Passaic Youth Services Commission								
Passaic County Paterson Station House Adjustment 2014	18,869	-	-	-	18,552	-	-	317
Passaic County Paterson Station House Adjustment Program	25	-	-	-	-	-	-	25
NJ Governor's Council on Alcohol and Drug Abuse (GCADA)								
Passed through County of Passaic								
Paterson Municipal Alliance Prevention Program	235	16,788	-	-	10,606	-	6,211	206
Paterson Municipal Alliance Prevention Program (PMAPP) FY2015	-	-	61,641	-	29,891	-	8,608	23,142
NJ Highlands Water Protection and Planning Council								
Transfer of Development Rights Feasibility Grant Program	50,000	-	-	-	-	-	-	50,000
NJ Department of Children and Families								
School Based Youth Services Program - School Linked State	-	-	310,190	-	231,265	-	3,390	75,535
School Based Youth Services Program - 2014	35,492	1,136	-	-	36,628	-	-	-
Parent Linking Program	-	126,946	-	-	91,636	-	35,310	-
Parent Linking Program	-	-	149,897	-	107,705	-	42,192	-
Passed Through Passaic County Cultural and Heritage Council								
Lifestyle Support Program Additional Funding - 2012	22,731	-	-	-	-	-	-	22,731
Total Lifestyle Support Program 2011	46,561	-	-	-	-	-	-	46,561
Total Lifestyle and Support Program	79,651	-	-	-	75,522	-	-	4,129
Total Lifestyle and Support Program	-	-	86,980	-	46,181	-	-	40,799

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

Department and Program	Balance: June 30, 2014		Current Year Awards	City Match	Paid or Charged	Adjusted/Cancelled	Balance: June 30, 2015	
	Reserved	Encumbered					Encumbered	Reserved
<b>STATE GRANTS (continued)</b>								
NJ Department of State								
NJ Historical Commission								
Delaware-Lenape Culture Permanent Exhibit of the Paterson Museum	\$ 1,200	\$ -	\$ -	-	\$ -	-	\$ -	\$ 1,200
NJ State Council on the Arts - Partner Agency of the National Endowment for the Arts								
Quarterly Visual Art Exhibition Series	1,600	-	-	-	-	-	-	1,600
Public Archives & Records Infrastructure Support Grant (PARIS) 2006	12,629	-	-	-	-	-	-	12,629
Public Archives & Records Infrastructure Support Grant (PARIS) 2007	-	29,377	-	-	-	-	29,377	-
Passed Through Passaic County Cultural and Heritage Council								
Exhibit Freedom Boulevard Gate	440	-	-	-	-	-	-	440
Art Grant	330	-	-	-	-	-	-	330
Museum Grant	335	-	-	-	-	-	-	335
Museum Council -2009	131	-	-	-	-	-	-	131
<b>TOTAL STATE GRANTS</b>	<b>\$ 1,950,827</b>	<b>\$ 743,704</b>	<b>\$ 2,194,376</b>	<b>\$ 739,218</b>	<b>\$ 3,115,676</b>	<b>\$ -</b>	<b>\$ 320,563</b>	<b>\$ 2,191,886</b>

**COUNTY, LOCAL AND PRIVATE GRANTS**

Passaic County Open Space								
Overlook Park Improvements	\$ 143,059	\$ -	\$ -	-	\$ -	-	\$ 100,000	\$ 43,059
Mary Ellen Kramer Park Improvements Phase I	-	11,510	-	-	11,510	-	-	-
Mary Ellen Kramer Park Improvements Phase II	-	125,000	-	-	125,000	-	-	-
Mary Ellen Kramer Park Improvements Phase III	-	50,000	-	-	50,000	-	-	-
Mary Ellen Kramer Park Improvements Phase IV	-	95,000	-	-	95,000	-	-	-
Mary Ellen Kramer Park Improvements Rollover	-	45,000	-	-	45,000	-	-	-
Middle - Lower Raceway	45,000	-	-	-	-	-	45,000	-
Middle - Lower Raceway Investigation and Design	40,000	-	-	-	-	-	-	40,000
Passaic River Waterfront Study	30,000	-	-	-	-	-	-	30,000
Analysis Pocket Parks	11,267	405	-	-	405	-	-	11,267
Pennington Park Gazebo	2,000	31,656	-	-	-	-	31,656	2,000
Eastside Park Concession Stand / Cricket House	260,000	-	-	-	-	-	-	260,000

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

Department and Program	Balance: June 30, 2014		Current Year Awards	City Match	Paid or Charged	Adjusted/Cancelled	Balance: June 30, 2015	
	Reserved	Encumbered					Encumbered	Reserved
<b>COUNTY, LOCAL AND PRIVATE GRANTS (continued)</b>								
<u>Private Donations and Other</u>								
1st Ward Library Renovation Insurance Grant	\$ 247,878	\$ -	-	\$ -	\$ 9,096	\$ -	1	\$ 238,781
Anita Tenk Spay & Neuter Program	-	56	-	-	-	-	56	-
Cablevision Public Education and Government Access Grant	42,640	-	-	-	3,260	-	-	39,380
Community Foundation of NJ - Give & Receive Summer Program	-	-	20,000	-	19,775	-	-	225
Community Foundation of NJ - Give & Receive Summer Program	133	-	-	-	-	-	-	133
Hannah Family Memorial Grant	1,436	-	-	-	-	-	-	1,436
Museum Brochure Grant Donald Baer	1,000	-	-	-	-	-	-	1,000
Paterson Museum Mineral Hall Collection Donations	2,515	-	-	-	-	-	-	2,515
Donations Mineral Display Grant	2,000	-	-	-	-	-	-	2,000
PSE&G Emergency Preparedness Grant (Go Bags)	112	-	-	-	-	-	-	112
Silk City Woman's Club Museum Grant	1,000	-	-	-	-	-	-	1,000
Paterson Museum Pharmacy Exhibit Donations	-	-	711	-	-	-	-	711
Paterson Museum Mineral Display Grant	-	-	5,000	-	-	-	-	5,000
Paterson Museum Dan Oliff Memorial Veterans Exhibit	-	-	10,000	-	-	-	-	10,000
<u>Passaic County Prosecutor</u>								
Passaic County Prosecutor's Office Franklin Reward	2,500	-	-	-	-	-	-	2,500
Passaic County Confidential Forfeiture Fund	9,000	-	-	-	-	-	-	9,000
<u>Paterson Restoration Corporation</u>								
Division of Community Improvements Technology Upgrade Grant	41,022	23,885	-	-	23,839	-	-	41,068
Rogers Building Scaffolding Grant	-	14,800	-	-	14,800	-	-	-
PRC Master Plan Grant	1,000	-	-	-	-	-	-	1,000
<b>TOTAL COUNTY, LOCAL AND PRIVATE GRANTS</b>								
	\$ 883,562	\$ 397,312	\$ 35,711	\$ -	\$ 397,685	\$ -	\$ 176,713	\$ 742,187
<b>GRAND TOTAL</b>								
	\$ 17,172,122	\$ 2,073,448	\$ 11,307,078	\$ 813,170	\$ 14,906,089	\$ 243,400	\$ 1,626,812	\$ 14,589,517
	A	A	A-36	A-36	A-36	A-35	A	A
Ref.	Public and Private Programs		\$ 11,043,578					
	Life Hazard Use Fees		263,500					
			\$ 11,307,078					

(1) Includes State Casino Revenue Funding of \$175,540 and Federal Title III Older Americans Act Funding of \$46,460.

(2) Includes State Casino Revenue Funding of \$155,540 and Federal Title III Older Americans Act Funding of \$46,460.

**CITY OF PATERSON  
FEDERAL AND STATE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

	<u>Balance, June 30, 2014</u>	<u>Transferred To Budget</u>	<u>Received</u>	<u>Balance, June 30, 2015</u>
Pincak Pharmacy Museum Exhibit Grant	\$ 711	\$ 711	\$ -	\$ -
	<u>\$ 711</u>	<u>\$ 711</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Ref.</u>	A	A-35		

Exhibit A-39

**SCHEDULE OF RESERVE FOR GRANT OVERPAYMENTS**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	A	<u>\$ 64,215</u>



**CITY OF PATERSON**

REPORT OF AUDIT  
FY 2015

**SUPPLEMENTARY DATA SECTION:  
TRUST FUND SCHEDULES**

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER**

		Animal Control	Community Development	Trust Other
	Ref.			
Balance: June 30, 2014	B	\$ 7,669	\$ 1,415,294	\$ 5,648,336
Increased by Receipts:				
Fund Balance	B-1	-	-	268
Interfund Transfer	contra	462	-	-
Interest Earned	B-24	-	554	-
Due to Special Improvement Districts	B-4	-	-	558,202
Grants Receivable	B-5	-	5,121,484	-
Due to State of New Jersey	B-6	4,173	-	-
Off Duty Police Officers	B-7	-	-	5,089,692
Off Duty Police Officers - Admin.	B-8	-	-	476,379
Reserve for Animal Control Expenditures	B-11	370,084	-	-
Parking Offense Adjudication Act	B-14	-	-	52,312
Reserve for Public Defender Fees	B-16	-	-	102,923
Other Deposits	B-17	-	-	16,568,754
Due from Municipal Utility Authority	B-9	-	-	1,033,303
Prepaid Revenue	B-20	-	-	49,607
Reserve for Payroll Agency	B-22	-	-	71,311,211
Reserve for Various Grants	B-24	-	102,396	-
		<u>374,719</u>	<u>5,224,434</u>	<u>95,242,651</u>
Subtotal - Cash		<u>382,388</u>	<u>6,639,728</u>	<u>100,890,987</u>
Decreased by Disbursements:				
Fund Balance	B-1	-	-	11,099
Due to Special Improvement Districts	B-4	-	-	617,006
Interfund Transfer	contra	-	-	462
Due to State of New Jersey	B-6	4,169	-	-
Reserve for Off Duty Police Officers	B-7	-	-	5,016,658
Reserve for Admin-Off Duty Police Officers	B-8	-	-	409,512
Other Deposits	B-17	-	-	15,498,824
Overpayments Disbursed	B-18	-	-	2,639
Reserve for Payroll Agency	B-22	-	-	71,272,961
Due to Current	B-23	352,267	-	1,174,386
Grant Expenditures	B-24	-	5,469,538	-
		<u>356,436</u>	<u>5,469,538</u>	<u>94,003,547</u>
Balance: June 30, 2015	B	<u>\$ 25,952</u>	<u>\$ 1,170,190</u>	<u>\$ 6,887,440</u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF TAXES RECEIVABLE - SPECIAL IMPROVEMENT DISTRICTS**

		<u>Total</u>	<u>Bunker Hill</u>	<u>Downtown Paterson</u>
	<u>Ref.</u>			
Balance: June 30, 2014	B	\$ 3,987	\$ 7	\$ 3,980
Increased by:				
Billings	B-21	576,583	196,443	380,140
		<u>580,570</u>	<u>196,450</u>	<u>384,120</u>
Decreased by:				
Transfer to Lien	B-19	25,356	23,343	2,013
Prepaid Revenue Applied	B-21	56,420	8,746	47,674
Realized Revenue	B-21	495,633	164,351	331,282
Cancellations	B-21	30	3	27
		<u>577,439</u>	<u>196,443</u>	<u>380,996</u>
Balance: June 30, 2015	B	<u>\$ 3,131</u>	<u>\$ 7</u>	<u>\$ 3,124</u>

## Exhibit B-4

**SCHEDULE OF DUE TO SPECIAL IMPROVEMENT DISTRICTS**

		<u>Total</u>	<u>Bunker Hill</u>	<u>Downtown Paterson</u>
	<u>Ref.</u>			
Balance: June 30, 2014	B	\$ 74,080	\$ 28,608	\$ 45,472
Increased by:				
Cash Receipts	B-2	558,202	180,560	377,642
Prepaid Applied	B-20	56,420	8,746	47,674
		<u>614,622</u>	<u>189,306</u>	<u>425,316</u>
Decreased by:				
Cash Disbursements	B-2	617,006	207,121	409,885
Balance: June 30, 2015	B	<u>\$ 71,696</u>	<u>\$ 10,793</u>	<u>\$ 60,903</u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF GRANTS RECEIVABLE**

	Balance June 30, 2014	Increased by: Grant Awards	Decreased by:		Balance June 30, 2015
			Cancellations	Cash Receipts	
Community Development Block Grant	\$ 3,586,808	\$ 2,953,314	\$ 3,312	\$ 2,870,353	\$ 3,666,457
Neighborhood Stabilization	409,894	-	-	179,799	230,095
Emergency Shelter Grant	258,722	193,085	-	113,727	338,080
Way Finding Signage	197,726	-	-	100,000	97,726
Housing Opportunities for Persons with AIDS	2,198,208	1,356,224	327,531	1,239,887	1,987,014
HUD Home Program	5,555,551	1,067,774	437,871	617,718	5,567,736
	<u>\$ 12,206,909</u>	<u>\$ 5,570,397</u>	<u>\$ 768,714</u>	<u>\$ 5,121,484</u>	<u>\$ 11,887,108</u>
	B	B-24	B-24	B-2	B

Ref.

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
ANIMAL CONTROL REGISTRATION FEES**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 92
Increased by:		
Fees Collected	B-2	4,173
		<u>4,265</u>
Decreased by:		
Cash Disbursements	B-2	4,169
		<u>4,169</u>
Balance: June 30, 2015	B	<u><u>\$ 96</u></u>

## Exhibit B-7

**SCHEDULE OF RESERVE FOR OFF-DUTY POLICE OFFICERS**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 330,795
Increased by:		
Cash Receipts	B-2	5,089,692
Due from Current Fund	B-23	1,782
		<u>5,422,269</u>
Decreased by:		
Cash Disbursements	B-2	5,016,658
		<u>5,016,658</u>
Balance: June 30, 2015	B	<u><u>\$ 405,611</u></u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR ADMINISTRATION OFF-DUTY POLICE OFFICERS**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 52,153
Increased by:		
Transfer from Reserve for Off-Duty Police Officers	B-2	<u>476,379</u>
		528,532
Decreased by:		
Off-Duty Salaries	B-2	<u>409,512</u>
Balance: June 30, 2015	B	<u><u>\$ 119,020</u></u>

## Exhibit B-9

**SCHEDULE OF DUE FROM MUNICIPAL UTILITY AUTHORITY**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 3,199,181
Decreased by:		
Cash Receipts	B-2	\$ 1,033,303
Cancelled	B-10	<u>2,165,878</u>
		<u>3,199,181</u>
Balance: June 30, 2015		<u><u>\$ -</u></u>

## Exhibit B-10

**SCHEDULE OF RESERVE FOR MUNICIPAL UTILITY AUTHORITY RECEIVABLE**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 3,199,181
Decreased by:		
Due To Current Fund	B-23	\$ 1,033,303
Cancelled	B-9	<u>2,165,878</u>
		<u>3,199,181</u>
Balance: June 30, 2015		<u><u>\$ -</u></u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 8,039
Increased by:		
Cash Receipts	B-2	<u>370,084</u>
		378,123
Decreased by:		
Expenditures under R.S. 4:19-15. 11	B-23	<u>362,612</u>
Balance: June 30, 2015	B	<u>\$ 15,511</u>
	License Fees Collected:	
	2013	\$ 328,260
	2014	<u>390,327</u>
	Maximum Allowable Reserve	<u>\$ 718,587</u>

## Exhibit B-12

**SCHEDULE OF REDEVELOPMENT/CDBG HELD PROPERTY**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	B	<u>\$ 172,930</u>

## Exhibit B-13

**SCHEDULE OF RESERVE FOR REDEVELOPMENT/CDBG HELD PROPERTY**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	B	<u>\$ 172,930</u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR PARKING OFFENSE ADJUDICATION ACT**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 154,067
Increased by:		
Fees Collected	B-2	<u>52,312</u>
		206,379
Decreased by:		
Due To Current Fund	B-23	<u>40,668</u>
Balance: June 30, 2015	B	<u><u>\$ 165,711</u></u>

## Exhibit B-15

**SCHEDULE OF RESERVE FOR WEIGHTS AND MEASURES**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	B	<u><u>\$ 74,267</u></u>

## Exhibit B-16

**SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEES**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 11,717
Increased by:		
Fees Collected	B-2	<u>102,923</u>
		114,640
Decreased by:		
Due to Current Fund	B-23	<u>103,529</u>
Balance: June 30, 2015	B	<u><u>\$ 11,111</u></u>



**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR OTHER DEPOSITS**

	Balance June 30, 2014	Increase	Decrease	Balance June 30, 2015
Street Opening Deposits	\$ 9,700	\$ 3,300	\$ 9,550	\$ 3,450
Bid Deposits	31,800	8,500	8,500	31,800
Dumpster Deposits	8,600	8,700	8,900	8,400
Park and Recreation Deposits	17,600	3,500	2,500	18,600
Tax Lien Certificates	6,589	-	-	6,589
Tax Sale Premium	1,399,810	1,931,000	862,900	2,467,910
Tax Sale Redemption Certificate	-	14,582,278	14,582,278	-
Historic Preservation Fund	4,142	11,750	12,699	3,193
Special Recreation Fund	2,386	-	-	2,386
Estate of John Burhams	3,719	1,245	700	4,264
Developers Agreement	-	17,297	17,297	-
Koar George	91,811	377	-	92,188
Insurance Liability	1,258,845	807	-	1,259,652
	<u>\$ 2,835,002</u>	<u>\$ 16,568,754</u>	<u>\$ 15,505,324</u>	<u>\$ 3,898,432</u>
<u>Ref.</u>	B	B-2		B
Cancellations	B-1		\$ 6,500	
Cash Disbursements	B-2		<u>15,498,824</u>	
			<u>\$ 15,505,324</u>	

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF TAX OVERPAYMENTS -  
SPECIAL IMPROVEMENT DISTRICTS**

		<u>Total</u>	<u>Bunker Hill</u>	<u>Downtown Paterson</u>
	<u>Ref.</u>			
Balance: June 30, 2014	B	\$ 2,639	\$ 189	\$ 2,450
Decreased by:				
Cash Disbursements	B-2	<u>2,639</u>	<u>189</u>	<u>2,450</u>
Balance: June 30, 2015		<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## Exhibit B-19

**SCHEDULE OF TAX TITLE LIENS RECEIVABLE -  
SPECIAL IMPROVEMENT DISTRICTS**

		<u>Total</u>	<u>Bunker Hill</u>	<u>Downtown Paterson</u>
	<u>Ref.</u>			
Balance: June 30, 2014	B	\$ 54,733	\$ 52,690	\$ 2,043
Increased by:				
Transfer to Lien	B-3	25,356	23,343	2,013
Liens Receivable	B-21	<u>112</u>	<u>97</u>	<u>15</u>
		80,201	76,130	4,071
Decreased by:				
Realized Revenue	B-21	<u>1,510</u>	<u>1,510</u>	<u>-</u>
Balance: June 30, 2015	B	<u><u>\$ 78,691</u></u>	<u><u>\$ 74,620</u></u>	<u><u>\$ 4,071</u></u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF PREPAID REVENUE -  
SPECIAL IMPROVEMENT DISTRICTS**

		<u>Total</u>	<u>Bunker Hill</u>	<u>Downtown Paterson</u>
	<u>Ref.</u>			
Balance: June 30, 2014	B	\$ 56,420	\$ 8,746	\$ 47,674
Increased by:				
Cash Receipts	B-2	49,607	12,518	37,089
		106,027	21,264	84,763
Decreased by:				
Applied to Receivable	B-4	56,420	8,746	47,674
Balance: June 30, 2015	B	<u>\$ 49,607</u>	<u>\$ 12,518</u>	<u>\$ 37,089</u>

## Exhibit B-21

**SCHEDULE OF RESERVE FOR TAXES RECEIVABLE -  
SPECIAL IMPROVEMENT DISTRICTS**

		<u>Total</u>	<u>Bunker Hill</u>	<u>Downtown Paterson</u>
	<u>Ref.</u>			
Balance: June 30, 2014	B	\$ 58,720	\$ 52,697	\$ 6,023
Increased by:				
Liens Receivable	B-19	112	97	15
Billings	B-3	576,583	196,443	380,140
		635,415	249,237	386,178
Decreased by:				
Realized Revenue:				
Taxes	B-3	495,633	164,351	331,282
Liens	B-19	1,510	1,510	-
Cancelled:				
Billings	B-3	30	3	27
Prepaid Revenue Applied	B-3	56,420	8,746	47,674
		553,593	174,610	378,983
Balance: June 30, 2015	B	<u>\$ 81,822</u>	<u>\$ 74,627</u>	<u>\$ 7,195</u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR PAYROLL AGENCY**

Balance: June 30, 2014	<u>Ref.</u> B	\$ 2,044,499
Increased by:		
Cash Receipts	B-2	<u>71,311,211</u>
		73,355,710
Decreased by:		
Cash Disbursements	B-2	<u>71,272,961</u>
Balance: June 30, 2015	B	<u><u>\$ 2,082,749</u></u>

## Exhibit B-23

**SCHEDULE OF DUE TO CURRENT FUND**

Balance: June 30, 2014	<u>Ref.</u>	\$ -
Increased by:		
Municipal Utility Authority	B-10	\$ 1,033,303
Dog Fund	B-11	362,612
POAA	B-14	40,668
Public Defender	B-16	<u>103,529</u>
		<u>1,540,112</u>
		1,540,112
Decreased by:		
Animal Control	B-2	\$ 352,267
Off Duty Police	B-7	1,782
Other Trust	B-2	<u>1,174,386</u>
		<u>1,528,435</u>
Balance: June 30, 2015	B	<u><u>\$ 11,677</u></u>

**CITY OF PATERSON  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF RESERVE FOR VARIOUS GRANTS**

	Balance June 30, 2014	Increased by:		Decreased by:		Balance June 30, 2015
		Interest Earned	Grants Awards	Cancellations	Cash Disbursements	
Community Development Block Grant	\$ 3,731,945	\$ -	\$ 2,953,314	\$ 3,312	\$ 2,579,734	\$ 4,175,402
Section 8:						
Earned Administration Balances	495,588	-	-	-	4,300	491,288
Neighborhood Stabilization	410,931	-	-	-	189,333	221,598
Emergency Shelter Grant	228,888		193,085	-	241,677	180,296
Housing Opportunities for Persons with AIDS	2,187,673	-	1,356,224	327,531	1,409,992	1,821,161
Way Finding Signage	197,126	-	-	-	100,000	97,126
HUD Home Program	5,576,892	-	1,067,774	437,871	944,502	5,276,713
Regional Contribution Agreements:						
Wayne	119,815	151	-	-	-	119,966
Woodland Park	575,741	363	-	-	-	576,104
Hawthorne	97,604	40	-	-	-	97,644
	<u>\$ 13,622,203</u>	<u>\$ 554</u>	<u>\$ 5,570,397</u>	<u>\$ 768,714</u>	<u>\$ 5,469,538</u>	<u>\$ 13,057,298</u>
Ref.	B	B-2	B-5	B-5	B-2	B

CITY OF PATERSON

REPORT OF AUDIT  
FY 2015

**SUPPLEMENTARY DATA SECTION:  
GENERAL CAPITAL FUND SCHEDULES**

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF CASH - TREASURER**

Balance: June 30, 2014	<u>Ref.</u> C; C-3		\$ 16,045,133
Increased by:			
Prior Year Interfund Returned	C-3; C-8	\$ 122,425	
Due to Current Fund	C-8	<u>18,259,299</u>	
			<u>18,381,724</u>
			34,426,857
Decreased by:			
Due from Current Fund	C-8		<u>16,045,123</u>
Balance: June 30, 2015	C, C-3		<u><u>\$ 18,381,734</u></u>

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

Ordinance Number	Description	Balance June 30, 2014	Cash Receipts	Cash Disbursements		Transfers		Balance June 30, 2015
				Improvement Authorizations	Miscellaneous	From	To	
	Fund Balance	\$ 1,525,286	\$ 61,425	\$ -	\$ -	\$ 1,525,000	\$ -	\$ 61,711
	Grants Receivable	(5,970,072)	821,714	-	-	1,187,846	42,764	(6,293,440)
	Due From Current Fund	(122,425)	122,425	-	-	-	-	-
	Capital Improvement Fund	394,113	291,300	-	-	225,000	-	460,413
	Due From New Jersey Environmental Infrastructure Trust Fund	(8,757,606)	-	-	-	-	-	(8,757,606)
<b>Improvement Authorizations:</b>								
*	Various Public Works Projects	280,684	-	-	-	-	-	280,684
*	Sewer Reconstruction	83,437	-	82,328	-	-	-	1,109
*	Combined Sewer Overflow Phase I	177,409	-	96,046	-	-	-	81,363
*	Combined Sewer Overflow Phase II	634,202	-	170,645	-	-	-	463,557
*	Main/Market Street Streetscape Project	202,549	-	-	-	-	-	202,549
*	Construction of a Bikeway/Walkway at ATP Site	250,000	-	-	-	-	-	250,000
*	Combined Sewer Overflow Phase III NJ Inf. Trust	10,486,570	-	917,878	-	-	-	9,568,692
05-055	Combined Sewer Overflow Phase III	(5,000)	-	-	-	-	-	(5,000)
06-001,	Various Park Improvements, Amended by 13-041:							
13-041	Great Falls and Pocket Parks	1,043,857	323,103	1,286,989	-	-	-	79,971
*	Capital Improvements	125,590	-	123,423	-	-	-	2,167
06-067	Various Sewer Reconstruction	119,727	-	69,640	-	-	-	50,087
07-006	Various Capital Improvements - Facilities	431,656	-	-	-	-	-	431,656
07-006	Various Capital Improvements - Roadways	92,290	-	-	-	-	-	92,290
07-023	Various Capital Improvements	97,863	-	196	-	-	-	97,667
08-020	Various Capital Improvements - Equipment	75,625	-	-	-	-	-	75,625
08-020	Various Capital Improvements - Facility	907,977	-	10,000	-	-	-	897,977
08-021	Various Capital Improvements - ATP Site Park	1,283,665	-	-	-	-	-	1,283,665
08-022	Various Capital Improvements - Pennington Park	331,631	-	-	-	-	-	331,631
08-037	2009 City Road Resurfacing Program	55	-	-	-	-	-	55
08-036	Sewer Reconstruction	205	-	-	-	-	-	205
09-013	Construction of Fire House	1,664,890	-	1,351,746	-	-	-	313,144
09-010	DOT Spruce Street & McBride Ave - Signalization	6,159	-	-	-	-	-	6,159
09-017	DOT Pedestrian Signal Improvement	1,109	-	-	-	1,109	-	-



**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

Ordinance Number	Description	Balance June 30, 2014	Cash Receipts	Cash Disbursements		Transfers		Balance June 30, 2015
				Improvement Authorizations	Miscellaneous	From	To	
09-030	2010 Road Resurfacing	\$ 34,112	\$ -	\$ 20,589	\$ -	\$ -	\$ -	\$ 13,523
09-031	Sewer Reconstruction	6,035	-	-	-	-	-	6,035
09-032	Various Capital Improvements	533,337	-	22,038	-	-	-	511,299
11-014	Tax Appeal Refunds	2,518	650,000	2,518	650,000	-	-	-
11-016	Recreation Facility Improvement	940,771	-	75,800	-	-	-	864,971
11-017	Sewer Reconstruction	14,232	-	-	-	-	-	14,232
11-018	2011 DOT Road Resurfacing Program	41,655	-	-	-	41,655	-	-
12-004	Sewer Reconstruction	93,756	-	46,234	-	-	-	47,522
12-025	Tax Appeal Refunds	159	1,320,000	159	1,320,000	-	-	-
13-005	Tax Appeal Refunds / Deficit	-	466,000	-	466,000	-	-	-
13-038	2014 DOT Road Resurfacing Program	563,650	-	508,244	-	-	-	55,406
13-040	Sewer Reconstruction	1,781,730	2,665,000	1,425,760	2,665,000	-	-	355,970
13-042	Various Capital Improvements	4,240,309	4,830,000	2,588,093	4,830,000	-	-	1,652,216
13-043	Street Sweeper and Finance Software	237,782	-	98,508	-	-	-	139,274
14-021	Tax Appeal Refunding	2,193,641	2,200,000	1,734,993	2,200,000	-	-	458,648
14-035	2014 DOT Road Resurfacing Program Grant	-	-	9,813	-	-	607,860	598,047
14-042	Resurfacing of Various Roads	-	11,665,000	306,726	-	-	1,750,000	13,108,274
15-042	2015 DOT Road Resurfacing Program Grant	-	-	-	-	-	579,986	579,986
		<u>\$ 16,045,133</u>	<u>\$ 25,415,967</u>	<u>\$ 10,948,366</u>	<u>\$ 12,131,000</u>	<u>\$ 2,980,610</u>	<u>\$ 2,980,610</u>	<u>\$ 18,381,734</u>
		C		C-8	C-8	Contra	Contra	C
Prior Year Interfund Returned		C-2; C-8	\$ 122,425					
Collected by Current on Behalf of Capital		C-8	<u>25,293,542</u>					
			<u>\$ 25,415,967</u>					

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF GRANT FUNDS RECEIVABLE**

Ordinance Number	Balance: June 30, 2014	Increased by Grant Awards	Decreased by:		Balance: June 30, 2015
			Cash Receipts	Cancellations	
Department of Transportation Grants					
Main and Market Feasibility Study	\$ 175,000	\$ -	\$ -	-	\$ 175,000
2015 Road Resurfacing	-	579,986	-	-	579,986
2014 Road Resurfacing	-	607,860	-	-	607,860
2013 Road Resurfacing	563,650	-	422,738	-	140,912
2011 Road Resurfacing	41,655	-	-	41,655	-
DOT Streetscape Main / Market	372,500	-	-	-	372,500
DOT Bikeway and Walkway Project	250,000	-	-	-	250,000
DOT Spruce Street Signal	94,208	-	-	-	94,208
DOT Pedestrian Signals	76,982	-	75,873	1,109	-
Department of Environmental Protection					
Trust Pennington Park	153,799	-	-	-	153,799
Various Parks, Amended by Ord. 13-041 for Great Falls and Pocket Parks	1,207,093	-	323,103	-	883,990
ATP Site	1,283,665	-	-	-	1,283,665
Combined Sewer Outflow Phase 4	1,751,520	-	-	-	1,751,520
	<u>\$ 5,970,072</u>	<u>\$ 1,187,846</u>	<u>\$ 821,714</u>	<u>\$ 42,764</u>	<u>\$ 6,293,440</u>
	C, C-3	C-9	C-8	C-9	C, C-3

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF DEFERRED CHARGES TO BE RAISED BY FUTURE TAXATION - FUNDED**

	<u>Ref.</u>		
Balance: June 30, 2014	C		\$ 78,575,220
Increased by:			
Green Acres Trust Loan	C-6		323,103
			<u>78,898,323</u>
Decreased by:			
2015 Budget Appropriations to Pay Debt			
General Serial Bonds	C-10	\$ 3,917,146	
Environmental Infrastructure Trust Loan	C-11	1,214,506	
Green Acres Trust Loan	C-13	<u>119,615</u>	
			<u>5,251,267</u>
Balance: June 30, 2015	C		<u><u>\$ 73,647,056</u></u>

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. Number	Improvement Description	Balance June 30, 2014	Authorizations 2015	Green Acres Trust Loan	Budget Appropriations	Balance June 30, 2015
05-005	Combined Sewer Outflow Phase III	\$ 7,405,195	\$ -	\$ -	\$ -	\$ 7,405,195
06-001,	Various Park Improvements, amended					
13-041	to include Great Falls and Pocket Parks	1,207,093	-	323,103	-	883,990
08-021	Various Park Improvements	783,665	-	-	-	783,665
11-014	Tax Appeal Refunding	1,300,000	-	-	650,000	650,000
12-025	Tax Appeals	1,980,000	-	-	660,000	1,320,000
13-005	Tax Appeals / Deficit	933,000	-	-	467,000	466,000
13-040	Sewer Reconstruction	2,665,000	-	-	-	2,665,000
13-042	Various Capital Improvements	4,830,000	-	-	-	4,830,000
14-021	Tax Appeal Refunding	3,300,000	-	-	1,100,000	2,200,000
14-042	Resurfacing of Various Roads	-	35,000,000	-	-	35,000,000
		<u>\$ 24,403,953</u>	<u>\$ 35,000,000</u>	<u>\$ 323,103</u>	<u>\$ 2,877,000</u>	<u>\$ 56,203,850</u>
		C	C-9; C-15	C-5	C-12; C-15	C, C-6a

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**ANALYSIS OF ENDING BALANCE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. Number	Improvement Description	Balance June 30, 2015	Bond Anticipation Notes Payable	Debt Authorized But Not Issued	Non-Financed	
					Improvement Expended	Authorizations Unexpended
05-005	Combined Sewer Outflow Phase III	\$ 7,405,195	\$ -	\$ 7,405,195	\$ 5,000	\$ 7,400,195
06-001,	Various Park Improvements, amended					
13-041	to include Great Falls and Pocket Parks	883,990	-	883,990	402,009	481,981
08-021	Various Park Improvements	783,665	-	783,665	-	783,665
11-014	Tax Appeal Refunding	650,000	650,000	-	-	-
12-025	Tax Appeals	1,320,000	1,320,000	-	-	-
13-005	Tax Appeals / Deficit	466,000	466,000	-	-	-
13-040	Sewer Reconstruction	2,665,000	2,665,000	-	-	-
13-042	Various Capital Improvements	4,830,000	4,830,000	-	-	-
14-021	Tax Appeal Refunding	2,200,000	2,200,000	-	-	-
14-042	Resurfacing of Various Roads	35,000,000	11,665,000	23,335,000	-	23,335,000
		<u>\$ 56,203,850</u>	<u>\$ 23,796,000</u>	<u>\$ 32,407,850</u>	<u>\$ 407,009</u>	<u>\$ 32,000,841</u>
		C-6	C-12	C-15		

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF BOND SALE PROCEEDS DUE FROM NEW JERSEY  
ENVIRONMENTAL INFRASTRUCTURE TRUST FUND**

	<u>Ref.</u>	<u>Total</u>	<u>Phase IV</u>
Balance: June 30, 2015 and 2014	C, C-3	<u>\$ 8,757,606</u>	<u>\$ 8,757,606</u>

## Exhibit C-8

**SCHEDULE OF DUE FROM CURRENT FUND**

Balance: June 30, 2014	<u>Ref.</u>		\$ 122,425
Increased by:			
Grants Receivable	C-4	\$ 821,714	
Green Acres Loan Payable	C-13	323,103	
Premiums Received on Issuance of Debt	C-1	61,425	
Notes Payable	C-12	23,796,000	
Capital Improvement Fund	C-14	<u>291,300</u>	
Subtotal: Collected by Current on Behalf of Capital	C-3	25,293,542	
Cash Disbursements	C-2	<u>16,045,123</u>	
			<u>41,338,665</u>
			41,461,090
Decreased by:			
Cash Receipts	C-2	18,259,299	
Prior Year Interfund Returned	C-3, C-2	122,425	
Notes Payable	C-3, C-12	12,131,000	
Improvement Authorizations	C-3, C-9	<u>10,948,366</u>	
			<u>41,461,090</u>
Balance: June 30, 2015			<u>\$ -</u>

**CITY OF PATERSON**  
**GENERAL CAPITAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Date	Ordinance No.	Amount	Balance: June 30, 2014		2015 Authorizations	Cancellations	Paid or Charged	Balance: June 30, 2015	
				Funded	Unfunded				Funded	Unfunded
Various Acquisition Public Works	06/11/99	*	\$ 2,016,000	\$ 280,684	\$ -	\$ -	\$ -	\$ -	\$ 280,684	\$ -
Sewer Reconstruction	07/17/01	*	151,000	83,437	-	-	-	82,328	1,109	-
Combined Sewer Outflow Phase I	12/17/02	*	10,942,000	177,409	-	-	-	96,046	81,363	-
Combined Sewer Outflow Phase II	01/27/04	*	6,538,000	634,202	-	-	-	170,645	463,557	-
Main/Market Street Streetscape Project	04/13/04	*	1,760,000	202,549	-	-	-	-	202,549	-
Construction of a Bikeway/Walkway at the ATP Site	07/13/04	*	250,000	250,000	-	-	-	-	250,000	-
Combined Sewer Outflow Phase III NJ	*	*	18,326,400	10,486,570	-	-	-	917,878	9,568,692	-
Combined Sewer Outflow Phase III	*	05-005	21,919,000	-	7,400,195	-	-	-	-	7,400,195
Various Park Improvements, Amended by 13-041:	10/25/05,	06-001,								
Great Falls and Pocket Parks	09/24/13	13-041	2,474,726	1,125,475	1,125,475	-	-	1,286,989	481,980	481,981
Capital Improvements	02/14/06	*	1,955,000	125,590	-	-	-	123,423	2,167	-
Various Sewer Reconstruction	12/24/06	06-067	2,500,000	119,727	-	-	-	69,640	50,087	-
Various Capital Improvements-Facilities	02/27/07	07-006	500,000	431,656	-	-	-	-	431,656	-
Various Capital Improvements-Roadways	02/27/07	07-006	810,000	92,290	-	-	-	-	92,290	-
Various Capital Improvements	05/15/07	07-023	1,601,000	97,863	-	-	-	196	97,667	-
Various Park Improvements-Pennington Park	06/24/08	08-022	2,800,000	331,631	-	-	-	-	331,631	-
Various Park Improvements-ATP Site Park	06/24/08	08-021	2,067,330	1,283,665	783,665	-	-	-	1,283,665	783,665
Acquisition of Equipment	06/24/08	08-020	800,000	75,625	-	-	-	-	75,625	-
Various Capital Improvements-Facility	06/24/08	08-020	1,870,000	907,977	-	-	-	10,000	897,977	-
2009 City Road Resurfacing Program	11/12/08	08-037	2,100,000	55	-	-	-	-	55	-
Sewer Reconstruction	11/19/08	08-036	2,500,000	205	-	-	-	-	205	-
Construction of Fire House	05/26/09	09-013	3,360,000	1,664,890	-	-	-	1,351,746	313,144	-
DOT Spruce Street McBride Avenue Signalization	04/28/09	09-010	250,257	6,159	-	-	-	-	6,159	-
DOT Pedestrian Signal Improvements	05/26/09	09-017	190,000	1,109	-	-	1,109	-	-	-
2010 Road Resurfacing	10/27/09	09-030	2,100,000	34,112	-	-	-	20,589	13,523	-
Sewer Reconstruction	10/27/09	09-031	2,800,000	6,035	-	-	-	-	6,035	-
Various Capital Improvements	10/27/09	09-032	2,195,000	533,337	-	-	-	22,038	511,299	-
Debt Restructuring	02/22/11	11-014	5,000,000	-	2,518	-	-	2,518	-	-
Recreation Facility Improvements	04/01/11	11-016	2,250,000	940,771	-	-	-	75,800	864,971	-
Sewer Reconstruction	04/01/11	11-017	3,000,000	14,232	-	-	-	-	14,232	-
2011 DOT Road Reconstruction	04/13/11	11-018	509,860	41,655	-	-	41,655	-	-	-
Sewer Reconstruction	1/24/2012	12-004	4,200,000	93,756	-	-	-	46,234	47,522	-
Tax Appeal Refunds	6/1/2012	12-025	3,300,000	-	159	-	-	159	-	-
2014 DOT Road Resurfacing Program	08/20/13	13-038	563,650	563,650	-	-	-	508,244	55,406	-
Sewer Reconstruction	09/24/13	13-040	2,800,000	-	1,781,730	-	-	1,425,760	-	355,970
Various Capital Improvements	09/24/13	13-042	5,073,000	-	4,240,309	-	-	2,588,093	-	1,652,216
Street Sweeper and Finance Software	09/24/13	13-043	1,485,000	237,782	-	-	-	98,508	139,274	-

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Date	Ordinance No.	Amount		Balance: June 30, 2014		2015 Authorizations	Cancellations	Paid or Charged	Balance: June 30, 2015	
					Funded	Unfunded				Funded	Unfunded
Tax Appeal Refunding	05/14/14	14-021	\$	3,300,000	\$	-	\$	-	\$	1,734,993	\$ 458,648
2014 DOT Road Resurfacing Program Grant	08/19/14	14-035		607,860	-	-		-		598,047	-
Resurfacing of Various Roads	09/16/14	14-042		36,750,000	-	-		-		1,443,274	35,000,000
2015 DOT Road Resurfacing Program Grant	06/09/15	15-042		579,986	-	-		-		579,986	-
					<u>\$ 20,844,098</u>	<u>\$ 17,527,692</u>		<u>\$ 42,764</u>	<u>\$ 10,948,366</u>	<u>\$ 19,185,831</u>	<u>\$ 46,132,675</u>
					C	C		C-4	C-8	C	C
Capital Improvement Fund			Ref								
Deferred Changes to Future Taxation - Unfunded			C-14				\$ 225,000				
Capital Fund Balance			C-6				35,000,000				
Grants Receivable			C-1				1,525,000				
			C-4				1,187,846				
							<u>\$ 37,937,846</u>				



**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate %	Balance June 30, 2014	Decrease	Balance June 30, 2015
			Outstanding at	Date	Amount				
Pension Refunding	04/03/03	\$ 13,044,671		04/01/16	\$ 1,001,640	5.770	\$ 3,492,623	\$ 1,017,146	\$ 2,475,477
				04/01/17	983,837	5.910			
				04/01/18	100,000	5.650			
				04/01/19	115,000	5.650			
				04/01/20	130,000	5.650			
				04/01/21	145,000	5.650			
General Improvement Bonds	06/01/05	18,999,000		02/01/15	2,900,000	3.625	2,900,000	2,900,000	-
				06/15/16	2,100,000	5.000	11,240,000	-	11,240,000
General Improvement Bonds	06/15/09	23,294,000		06/15/17	2,165,000	5.000			
				06/15/18	2,225,000	5.000			
				06/15/19	2,320,000	5.000			
				06/15/20	2,430,000	5.000			
General Improvement Refunding Bonds	03/23/11	3,230,000		03/15/16	770,000	3.250	3,230,000	-	3,230,000
				03/15/17	2,460,000	3.500			
Pension Refunding Bonds	03/23/11	1,600,000		03/15/16	1,600,000	4.900	1,600,000	-	1,600,000
General Obligation Refunding Bonds	03/30/12	3,145,000		03/15/18	2,500,000	4.000	4,875,000	-	4,875,000
				03/15/19	2,375,000	4.000			
Qualified General Improvement Refunding Bonds - Non-Callable	03/20/13	8,015,000		03/15/20	1,145,000	3.000	8,015,000	-	8,015,000
				03/15/21	6,870,000	3.100			

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate %	Balance June 30, 2014	Decrease	Balance June 30, 2015
			Outstanding at June 30, 2015	Amount				
Qualified Pension Refunding Bonds (Federally Taxable) - Non-Callable	03/20/13	\$ 3,570,000	03/15/19	\$ 725,000	4.200	\$ 3,570,000	\$ -	\$ 3,570,000
			03/15/20	2,845,000	5.150			
Qualified General Improvement Bonds Callable	05/22/13	22,519,000	01/15/22	4,219,000	5.000	22,519,000	-	22,519,000
			01/15/23	4,360,000	5.000			
			01/15/24	4,490,000	5.000			
			01/15/25	4,650,000	5.000			
			01/15/26	4,800,000	5.000			
						\$ 61,441,623	\$ 3,917,146	\$ 57,524,477
Ref.						C	C-5	C

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest	Balance June 30, 2014	Decrease	Balance June 30, 2015
			Outstanding at June 30, 2015	Principal				
			Date					
Trust Loan Series 2003A Phase I	10/15/03	\$ 2,160,000	2016	\$ 115,000	2.0%	\$ 1,360,000	\$ 110,000	\$ 1,250,000
			2017	120,000				
			2018	125,000				
			2019	130,000				
			2020	140,000				
			2021	145,000				
			2022	150,000				
			2023	160,000				
			2024	165,000				
State of NJ Fund Loan Phase I	10/15/03	\$ 5,554,479	2016	\$ 290,282	0.0%	\$ 2,558,826	\$ 290,368	\$ 2,268,458
	Less: Forgiven	356,113	2017	290,796				
		<u>5,198,366</u>	2018	290,753				
			2019	290,089				
			2020	296,497				
			2021	292,854				
			2022	289,425				
			2023	227,762				
State of NJ Fund Loan Phase II	10/13/04	\$ 2,326,943	2016	\$ 119,047	0.0%	\$ 1,020,653	\$ 122,059	\$ 898,594
	Less: Forgiven	317,532	2017	125,259				
		<u>2,009,411</u>	2018	121,447				
			2019	117,212				
			2020	122,153				
			2021	117,447				
			2022	121,918				
			2023	54,111				

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest	Balance June 30, 2014	Decrease	Balance June 30, 2015
			Outstanding at June 30, 2015	Principal				
Trust Loan Series 2004A Phase II	10/13/04	\$ 820,000	2016	\$ 40,000	2.0%	\$ 555,000	\$ 40,000	\$ 515,000
			2017	45,000				
			2018	45,000				
			2019	45,000				
			2020	50,000				
			2021	50,000				
			2022	55,000				
			2023	60,000				
			2024	60,000				
			2025	65,000				
Trust Loan Series 2005A Phase III	11/10/05	\$ 910,000	2016	\$ 50,000	2.0%	\$ 700,000	\$ 45,000	\$ 655,000
			2017	50,000				
			2018	50,000				
			2019	55,000				
			2020	55,000				
			2021	60,000				
			2022	60,000				
			2023	65,000				
			2024	65,000				
			2025	70,000				
			2026	75,000				

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest	Balance		Decrease	Balance
			Outstanding at June 30, 2015	Principal		June 30, 2014	June 30, 2015		
State of NJ Fund Loan Phase III	11/10/05	\$ 2,622,600	2016	\$ 141,414	0.0%	\$ 1,275,350	\$ 1,139,214	136,136	\$ 1,139,214
	Less: Forgiven	372,864	2017	137,743					
		<u>2,249,736</u>	2018	134,071					
			2019	139,269					
			2020	134,977					
			2021	139,533					
			2022	134,645					
Trust Loan Series 2008A Phase IV			2023	138,804					
			2024	38,759					
	11/06/08	\$ 2,265,000	2016	\$ 95,000	2.0%	\$ 1,950,000	\$ 1,860,000	90,000	\$ 1,860,000
			2017	100,000					
			2018	100,000					
			2019	110,000					
			2020	115,000					
			2021	120,000					
			2022	125,000					
			2023	135,000					
			2024	140,000					
			2025	150,000					
			2026	155,000					
			2027	165,000					
			2028	170,000					
			2029	180,000					

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest	Balance	
			Date	Outstanding at June 30, 2015		June 30, 2014	June 30, 2015
State of NJ Fund Loan Phase IV	11/06/08	\$ 6,568,205		Principal			
			2016	\$ 334,965	0.0%	\$ 4,965,168	\$ 4,630,869
			2017	335,187			
			2018	326,303			
			2019	334,743			
			2020	333,377			
			2021	331,034			
			2022	327,947			
			2023	333,011			
			2024	328,457			
			2025	332,722			
			2026	328,058			
			2027	331,611			
			2028	325,614			
			2029	327,837			
Trust Loan Series 2010A Phase V	09/01/10	\$ 515,000		Principal			
			2016	\$ 20,000	2.0%	\$ 455,000	\$ 435,000
			2017	20,000			
			2018	25,000			
			2019	25,000			
			2020	25,000			
			2021	25,000			
			2022	30,000			
			2023	30,000			
			2024	30,000			
			2025	30,000			
			2026	30,000			
			2027	35,000			
			2028	35,000			

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest	Balance June 30, 2014	Decrease	Balance June 30, 2015
			Date	Outstanding at June 30, 2015 Principal				
Trust Loan Series 2010A Phase V	(continued)		2029	\$ 35,000				
			2030	40,000				
State of NJ Fund Loan Phase V	03/10/10	\$ 524,000	2016	\$ 26,644	0.0%	\$ 417,422	\$ 26,644	\$ 390,778
			2017	26,644				
			2018	26,644				
			2019	26,644				
			2020	26,644				
			2021	26,644				
			2022	26,644				
			2023	26,644				
			2024	26,644				
			2025	26,644				
			2026	26,644				
			2027	26,644				
			2028	26,644				
			2029	26,644				
			2030	17,764				
						<u>\$ 15,257,419</u>	<u>\$ 1,214,506</u>	<u>\$ 14,042,913</u>
						C	C-5	C

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Ordinance Number	Improvement Description	Date of Issue:		Date of Maturity	Interest Rate %	Balance June 30, 2014	Increase	Decrease	Balance June 30, 2015
		Original	Current						
11-014	Tax Appeal Refunding	06/10/11	06/03/15	12/15/15	5.00%	\$ -	\$ 650,000	\$ -	\$ 650,000
11-014	Tax Appeal Refunding	06/10/11	06/03/14	06/03/15	1.25%	1,300,000	-	1,300,000	-
12-025	Tax Appeal Refunding	06/28/12	06/03/15	12/15/15	5.00%	-	1,320,000	-	1,320,000
12-025	Tax Appeal Refunding	06/28/12	06/03/14	06/03/15	1.25%	1,980,000	-	1,980,000	-
13-005	Tax Appeal Refunding / Deficit	06/04/13	06/03/15	12/15/15	5.00%	-	466,000	-	466,000
13-005	Tax Appeal Refunding / Deficit	06/04/13	06/03/14	06/03/15	1.25%	933,000	-	933,000	-
13-040	Sewer Reconstruction	06/03/14	06/03/15	12/15/15	5.00%	-	2,665,000	-	2,665,000
13-040	Sewer Reconstruction	06/03/14	06/03/14	06/03/15	1.25%	2,665,000	-	2,665,000	-
13-042	Various Capital Improvements	06/03/14	06/03/15	12/15/15	5.00%	-	4,830,000	-	4,830,000
13-042	Various Capital Improvements	06/03/14	06/03/14	06/03/15	1.25%	4,830,000	-	4,830,000	-
14-021	Tax Appeal Refunding	06/26/14	06/03/15	12/15/15	5.00%	-	2,200,000	-	2,200,000
14-021	Tax Appeal Refunding	06/26/14	06/26/14	06/03/15	1.25%	3,300,000	-	3,300,000	-
14-042	Resurfacing of Various Roads	06/03/15	06/03/15	12/15/15	5.00%	-	11,665,000	-	11,665,000
						\$ 15,008,000	\$ 23,796,000	\$ 15,008,000	\$ 23,796,000
						C			C, C-6a
						Ref.			
		Notes Renewed			Contra	\$ 12,131,000	\$ 12,131,000		
		New Notes Issued				11,665,000	-		
					C-8	23,796,000	12,131,000		
		Budget Appropriation			C-6; C-15	-	2,877,000		
					C-15	\$ 23,796,000	\$ 15,008,000		



**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE**

Purpose	Ordinance Date	Amount of Original Issue	Maturities of Loans Outstanding at June 30, 2015		Interest Rate %	Balance June 30, 2014	Increased by Loans Issued	Decreased by Budget Appropriation	Balance June 30, 2015
			Date	Amount					
Park Development Program - Phase II	07/26/94	\$ 315,000	10/30/15	\$ 10,127	2.00%	\$ 30,080	\$ -	\$ 19,953	\$ 10,127
Eastside Park Rehab	06/26/06	231,650	09/30/15	5,786	2.00	153,002	-	11,401	141,601
			03/30/16	5,844					
			09/30/16	5,903					
			03/30/17	5,962					
			09/30/17	6,021					
			03/30/18	6,082					
			09/30/18	6,142					
			03/30/19	6,204					
			09/30/19	6,266					
			03/30/20	6,328					
			09/30/20	6,392					
			03/30/21	6,456					
			09/30/21	6,520					
			03/30/22	6,585					
			09/30/22	6,651					
			03/30/23	6,718					
			09/30/23	6,785					
			03/30/24	6,853					
			09/30/24	6,921					
			03/30/25	6,991					
			09/30/25	7,060					
			03/30/26	7,132					
Park Development Program - Phase III	06/26/06	267,000	09/30/15	11,196	2.00	114,826	-	22,057	92,769
			03/30/16	11,308					
			09/30/16	11,421					
			03/30/17	11,535					
			09/30/17	11,651					
			03/30/18	11,767					
			09/30/18	11,886					
			03/30/19	12,004					

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
  
SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE**

Purpose	Ordinance Date	Amount of Original Issue	Maturities of Loans Outstanding at June 30, 2015		Interest Rate %	Balance June 30, 2014	Increased by Loans Issued	Decreased by Budget Appropriation	Balance June 30, 2015
			Date	Amount					
Restoration of Pennington Park Loan No. 1608-05-029	Ordinance No. 08-022	\$ 700,000	08/15/15	\$ 17,948	0.00	\$ 700,000	\$ -	\$ 35,900	\$ 664,100
			02/15/16	17,949					
			08/15/16	17,949					
			02/15/17	17,948					
			08/15/17	17,949					
			02/15/18	17,949					
			08/15/18	17,948					
			02/15/19	17,949					
			08/15/19	17,949					
			02/15/20	17,948					
			08/15/20	17,949					
			02/15/21	17,949					
			08/15/21	17,948					
			02/15/22	17,949					
			08/15/22	17,949					
			02/15/23	17,948					
			08/15/23	17,949					
			02/15/24	17,949					
			08/15/24	17,948					
			02/15/25	17,949					
			08/15/25	17,949					
			02/15/26	17,948					
			08/15/26	17,949					
			02/15/27	17,949					
			08/15/27	17,948					
			02/15/28	17,949					
			08/15/28	17,949					
			02/15/29	17,948					
			08/15/29	17,949					
			02/15/30	17,949					
			08/15/30	17,948					
			02/15/31	17,949					
			08/15/31	17,948					
			02/15/32	17,949					
			08/15/32	17,948					
			02/15/33	17,949					
			08/15/33	17,949					

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE**

Purpose	Ordinance Date	Amount of Original Issue	Maturities of Loans Outstanding at June 30, 2015		Interest Rate %	Balance June 30, 2014	Increased by Loans Issued	Decreased by Budget Appropriation	Balance June 30, 2015	
			Date	Amount						
Restoration of Pennington Park - Lower Field Loan No. 1608-05-029	Ordinance No. 08-022	\$ 500,000	08/15/15	\$ 15,151	0.00%	\$ 500,000	\$ -	\$ 30,304	\$ 469,696	
			02/15/16	15,152						
			08/15/16	15,151						
			02/15/17	15,152						
			08/15/17	15,151						
			02/15/18	15,152						
			08/15/18	15,151						
			02/15/19	15,152						
			08/15/19	15,151						
			02/15/20	15,152						
			08/15/20	15,151						
			02/15/21	15,152						
			08/15/21	15,151						
			02/15/22	15,152						
			08/15/22	15,151						
			02/15/23	15,152						
			08/15/23	15,151						
			02/15/24	15,152						
			08/15/24	15,151						
			02/15/25	15,152						
08/15/25	15,151									
02/15/26	15,152									
08/15/26	15,151									
02/15/27	15,152									
08/15/27	15,151									
02/15/28	15,152									
08/15/28	15,151									
02/15/29	15,152									
08/15/29	15,151									
02/15/30	15,152									
08/15/30	15,151									
Mary Ellen Kramer Park No. 1608-03-066	Ordinance No. 06-001	\$ 1,237,362	Not yet amortized.		Ref.	\$ 378,270	\$ 323,103	\$ -	\$ 701,373	
			Project not completed.							
						<u>\$ 1,876,178</u>	<u>\$ 323,103</u>	<u>\$ 119,615</u>	<u>\$ 2,079,666</u>	
						C	C-8, C-15	C-5	C	

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance: June 30, 2014	<u>Ref.</u> C, C-3	\$ 394,113
Increased by:		
Budget Appropriation	C-8	<u>291,300</u>
		685,413
Decreased by:		
Appropriated to Finance Improvement Authorizations:		
Ordinance No. 14-042: Resurfacing of Various Roads	C-9	<u>225,000</u>
Balance: June 30, 2015	C, C-3	<u><u>\$ 460,413</u></u>

**CITY OF PATERSON  
GENERAL CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Date	Improvement Description	Bonds and Notes Authorized	Balance June 30, 2014	Increased by:			Decreased by:			
					Current Year Authorization	Notes Matured	Green Acres Trust Loan	Debt Issued:	Notes Issued	Budget Appropriation	Balance June 30, 2015
05-005	*	Combined Sewer Out Flow Phase III	*	\$ 7,405,195	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 7,405,195
06-001	10/25/05	Various Park Improvements	*	859,093	-	-	323,103	-	-	-	535,990
08-021	06/24/08	Various Park Improvements ATP Site Park	*	783,665	-	-	-	-	-	-	783,665
11-014	02/22/11	Tax Appeal Refunding	3,250,000	-	-	1,300,000	-	-	650,000	650,000	-
12-025	06/01/12	Tax Appeal Refunding	3,300,000	-	-	1,980,000	-	-	1,320,000	660,000	-
13-005	02/19/13	Tax Appeals / Deficit	1,400,000	-	-	933,000	-	-	466,000	467,000	-
13-040	09/24/13	Sewer Reconstruction	2,665,000	-	-	2,665,000	-	-	2,665,000	-	-
13-041	09/24/13	Various Park Improvements at Great Falls and Pocket Parks	348,000	348,000	-	-	-	-	-	-	348,000
13-042	09/24/13	Various Capital Improvements	4,830,000	-	-	4,830,000	-	-	4,830,000	-	-
14-021	05/14/14	Tax Appeal Refunding	3,300,000	-	-	3,300,000	-	-	2,200,000	1,100,000	-
14-042	09/16/14	Resurfacing of Various Roads	35,000,000	-	35,000,000	-	-	-	11,665,000	-	23,335,000
				\$ 9,395,953	\$ 35,000,000	\$ 15,008,000	\$ 323,103	\$ 23,796,000	\$ 2,877,000	\$ 32,407,850	
Ref.				C	C-6	C-12	C-13	C-12	C-6; C-12	C, C-6a	

CITY OF PATERSON

REPORT OF AUDIT  
FY 2015

**SUPPLEMENTARY DATA SECTION:  
GENERAL FIXED ASSETS SCHEDULES**

**CITY OF PATERSON  
GENERAL FIXED ASSET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
SCHEDULE OF CHANGES IN FIXED ASSETS BY CLASS**

	Balance, June 30, 2014	Additions	Dispositions	Balance, June 30, 2015
Land	\$ 3,257,443	\$ -	\$ -	\$ 3,257,443
Building	39,034,660	-	-	39,034,660
Machinery and Equipment	20,197,935	-	-	20,197,935
	<u>\$ 62,490,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,490,038</u>
<u>Ref.</u>	D			D

## Exhibit D-2

**SCHEDULE OF RESERVE FOR FIXED ASSETS**

	<u>Ref.</u>	
Balance: June 30, 2015 and 2014	D	<u>\$ 62,490,038</u>

**CITY OF PATERSON**

**REPORT OF AUDIT  
FY 2015**

**STATISTICAL SECTION**



**CITY OF PATERSON**  
**STATISTICAL SECTION (UNAUDITED)**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

COMPARATIVE SCHEDULES OF OPERATIONS AND CHANGES IN FUND BALANCE-CURRENT FUND

	June 30, 2015		June 30, 2014	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Fund Balance Utilized	\$ 1,900,000	0.57%	\$ -	0.00%
Miscellaneous Revenue Anticipated	104,099,813	31.18%	100,222,011	30.62%
Receipts from Delinquent Taxes	1,989,573	0.60%	2,075,152	0.63%
Receipts from Current Taxes	222,314,053	66.58%	223,205,397	68.20%
Miscellaneous Revenue Not Anticipated	2,196,762	0.66%	1,127,591	0.34%
Other Credits to Income	1,399,035	0.42%	638,934	0.20%
	<u>333,899,236</u>	<u>100.00%</u>	<u>327,269,085</u>	<u>100.00%</u>
Expenditures:				
Budget Appropriations	247,264,053	72.97%	237,917,560	72.60%
School and County Taxes	82,577,892	24.37%	86,940,822	26.53%
Other Charges	8,996,188	2.66%	2,832,000	0.86%
	<u>338,838,133</u>	<u>100.00%</u>	<u>327,690,382</u>	<u>100.00%</u>
Change in Operations, net of Surplus Utilized	(4,938,897)		(421,297)	
Adjustments to Income: Deferred Charges of Budget of Succeeding Year	<u>4,395,000</u>		<u>2,450,000</u>	
Deficit in Operations to be Raised in Budget of Succeeding Year	<u>\$ (543,897)</u>			
Statutory Excess to Operations			2,028,703	
Fund Balance, July 1	\$ 2,763,552		<u>734,849</u>	
			<u>2,763,552</u>	
Decreased by Fund Balance Utilized as Anticipated Revenue	<u>1,900,000</u>		<u>-</u>	
Fund Balance, June 30	<u>\$ 863,552</u>		<u>\$ 2,763,552</u>	

**CITY OF PATERSON  
STATISTICAL SECTION (UNAUDITED)  
FOR THE LAST FIVE FISCAL YEARS**

TAX RATE AND APPORTIONMENT OF TAX RATE

<u>Year Ended June 30,</u>	<u>Total Tax Rate</u>	<u>Municipal (1)</u>	<u>County</u>	<u>Local School</u>
2015	4.108	2.678	0.736	0.694
2014	2.896	1.877	0.538	0.481
2013	2.744	1.743	0.537	0.463
2012	2.515	1.597	0.477	0.441
2011	2.515	1.567	0.519	0.429

Rates are per \$100 of assessed valuation. (1) Includes Library Levy.

Table 3

SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

<u>Year Ended June 30,</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total</u>	<u>Percent of Tax Levy</u>
2015	\$ 16,549,116	\$ 234,852	\$ 16,783,968	7.09%
2014	12,285,926	123,987	12,409,913	5.20%
2013	9,933,237	39,397	9,972,634	4.42%
2012	7,998,200	179,045	8,177,245	3.61%
2011	4,935,592	64,579	5,000,171	2.77%

**Table 4**

**CITY OF PATERSON  
STATISTICAL SECTION (UNAUDITED)  
FOR THE LAST FIVE FISCAL YEARS**

**SCHEDULE OF TAX LEVIES AND COLLECTIONS**

<u>Year Ended June 30,</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collection Percentage</u>
2015	\$ 236,762,413	\$ 222,314,053	93.90%
2014	238,488,241	223,702,561	93.80%
2013	225,395,377	210,793,532	93.52%
2012	226,650,843	215,703,086	95.17%
2011	222,239,458	215,318,386	96.89%

**Table 5**

**SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

<u>Year Ended June 30,</u>	<u>Amount</u>
2015	\$ 5,107,360
2014	5,107,360
2013	5,107,360
2012	5,107,360
2011	5,107,360

**Table 6**

**PERCENTAGE OF NET ASSESSED VALUE TO ESTIMATED FULL CASH VALUATION**

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Estimated Full Cash Valuation</u>	<u>Percentage of Net Assessed Value To Estimated Full Cash Valuation</u>
2015	\$ 5,687,752,528	\$ 6,282,040,302	90.5%
2014	8,193,089,625	6,527,535,728	125.5%
2013	8,505,985,737	6,910,599,668	123.1%
2012	8,911,890,115	7,132,711,457	124.9%
2011	9,178,236,215	7,638,276,081	120.2%

**CITY OF PATERSON****OFFICIALS IN OFFICE**

(For the Period Under Audit Through the Audit Report Date Unless Otherwise Noted)

Name	Title
<b>Governing Body:</b>	
Jose "Joey" Torres	Mayor
Anthony E. Davis	1st Ward Councilman (through December, 2014)
James E. Staton	1st Ward Councilman (January, 2015 through November, 2015)
Michael Jackson	1st Ward Councilman (commencing November, 2015)
Mohammed Akhtaruzzaman	2nd Ward Councilman
William C. McKoy	3rd Ward Councilman / Council President (FY2016)
Ruby N. Cotton	4th Ward Councilwoman
Julio Tavaréz	5th Ward Councilman / Council President (FY2015)
Andre Sayegh	6th Ward Councilman
Kenneth M. Morris, Jr.	Council-at-Large
Domingo A. Mendez	Council-at-Large
Maritza Davila	Council-at-Large
<b>Other Officials:</b>	
Jane E. Williams-Warren	City Clerk (through December 2014)
Sonia L. Gordon	Acting City Clerk (commencing January, 2015)
Nellie Pou	Business Administrator
Domenick Stampone	Acting Corporation Counsel
James Ten Hoeve	Acting Director of Finance, Director of Accounts and Controls
(A) James Alessandrello	Acting Chief Municipal Finance Officer
(B) Kathleen Gibson	Tax Collector, Director of Revenue Collections
(C) Betty Shabazz	Director of Division of Treasury (through June, 2015)
(D) Fabiana Mello	Director of Division of Treasury (commencing July, 2015)
Kathleen Easton	Director of Community Improvements (through June, 2015)
Gennaro "Jerry" Lobo	Acting Director of Community Improvements (commencing July, 2015)
Joann Bottler	Tax Searches
Richard Marra	Tax Assessor
Charles Parmelli	Tax Assessor
Robert Ardis	Supervisor of Accounts - Health Division
Dorothy L. Moore	Registrar of Vital Statistics
Manuel Ojeda	Director of Department of Public Works
Patricia Hamlin	Assistant Director of Information Technology
Betty Taylor	Acting Director of Personnel (through December, 2014)
Abby Levenson	Director of Personnel (commencing July, 2015)
Fred Margron	City Engineer

## CITY OF PATERSON

### OFFICIALS IN OFFICE

(For the Period Under Audit Through the Audit Report Date Unless Otherwise Noted)

Name	Title
<b>Other Officials (continued):</b>	
(E) Hon. Joaquin Calcines Jr	Presiding Judge
(E) Manuel Quiles	Court Director
(E) Gloria Schweitzer	Court Administrator
(F) Cindy Czesak	Director of Free Public Library
Barbara Blake-McLennon	Director of Department of Community Development
Donna Nelson Ivy	Director of Human Resources
Harry Cevallos	Qualified Purchasing Agent

- (A) Surety bond obtained by City in the amount of \$1,000,000.
- (B) Surety bond obtained by City in the amount of \$750,000.
- (C) Surety bond obtained by City in the amount of \$500,000.
- (D) Surety bond obtained by City in the amount of \$350,000.
- (E) Court employees are covered by a faithful performance blanket bond in the amount of \$500,000.
- (F) Surety bond obtained by City in the amount of \$50,000.

**CITY OF PATERSON**

**REPORT OF AUDIT  
FY 2015**

**ADDITIONAL INFORMATION:  
INTERNAL CONTROL AND COMPLIANCE**

# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

*Certified Public Accountants*

---

Robert A. Gironda, CPA  
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Mark W. Bednarz, CPA, RMA  
Jason R. Gironda, CPA

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and Members  
of the City Council  
City of Paterson, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the accompanying financial statements – regulatory basis of the City of Paterson, New Jersey (the "City"), which comprise the comparative balance sheets – regulatory basis, of each fund and general fixed assets as of June 30, 2015 and 2014, and the related comparative statement of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis – and statement of appropriations – regulatory basis, of the Current Fund, and the statement of changes in fund balance – regulatory basis, of the Trust and General Capital Funds, for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 8, 2016. The opinion to those financial statements is followed by an emphasis of matter paragraph regarding the City's dependence on State Aid and the potential material impact on the City should State Aid be reduced, and a second emphasis of matter paragraph regarding the possibility that liabilities resulting from the dissolution of the Paterson Municipal Utilities Authority may potentially exist, but which are not known because the final audit has not yet been issued as of June 8, 2016.

As described in Note A, the City prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2015-001, which we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2015-001.

We noted additional instances of noncompliance which are required to be reported under audit requirements prescribed by the Division, and which are described in the accompanying comments and recommendations section of this report.



### **The City's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DONOHUE, GIRONDA,  
DORIA & TOMKINS, LLC  
*Certified Public Accountants*



FREDERICK J. TOMKINS

Registered Municipal Accountant #327

Bayonne, New Jersey  
June 8, 2016

# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

---

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 15-08**

To the Honorable Mayor and  
Members of the City Council  
City of Paterson, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the City of Paterson, New Jersey's (the City's) compliance with the types of compliance requirements described in the *U.S. OMB Circular A-133 Compliance Supplement* and the *N.J. OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City's major federal and state programs for the year ended June 30, 2015. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, U.S. OMB Circular A-133 and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a

major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



DONOHUE, GIRONDA,  
DORIA & TOMKINS, LLC  
*Certified Public Accountants*



FREDERICK J. TOMKINS

Registered Municipal Accountant #327

Bayonne, New Jersey  
June 8, 2016

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Program Income and Other Adjustments	Balance: June 30, 2015		Cumulative Expenditures
				Reserved	Encumbered				Encumbered	Reserved	
<b>Department of Agriculture</b>											
Passed through NJ Department of Health											
Senior Farmer's Market Nutrition Project											
07/01/2014 - 09/30/2014	10.576	500	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -
<b>Total Department of Agriculture and CFDA 10.576</b>											
<b>Department of Housing and Urban Development</b>											
CDBG - Entitlement Grants Cluster											
Community Development Block Grant											
07/01/2000 - 06/30/2001	N/A	3,359,000	-	845	-	-	-	-	-	845	3,358,155
07/01/2005 - 06/30/2006	N/A	3,389,479	-	600	-	-	-	(600)	-	-	3,388,879
07/01/2006 - 06/30/2007	N/A	3,303,484	-	2,711	-	-	-	(2,711)	-	-	3,300,773
07/01/2007 - 06/30/2008	N/A	2,937,671	-	292,211	-	-	-	1,500	-	293,711	2,645,460
07/01/2008 - 06/30/2009	N/A	2,851,175	-	92,918	-	-	-	-	-	92,918	2,758,257
07/01/2009 - 06/30/2010	N/A	2,934,402	112,662	258,713	-	-	112,662	-	-	146,051	2,788,351
07/01/2010 - 06/30/2011	N/A	2,754,854	1,699	205,067	-	-	-	(54,063)	-	151,004	2,549,787
07/01/2011 - 06/30/2012	N/A	2,683,971	9,555	662,294	-	-	9,555	-	-	652,739	2,031,232
07/01/2012 - 06/30/2013	N/A	2,855,480	239,701	602,757	-	-	283,700	(170,770)	-	148,287	2,536,423
07/01/2013 - 06/30/2014	N/A	2,816,168	609,148	1,613,829	-	-	656,017	(248,167)	-	709,645	1,858,356
07/01/2014 - 06/30/2015	N/A	2,810,941	1,897,588	-	-	2,953,314	1,517,800	544,688	-	1,980,202	1,375,427
			2,870,353	3,731,945	-	2,953,314	2,579,734	69,877	-	4,175,402	
Wayfinding Signage											
07/01/2013 - *	N/A	197,726	100,000	197,126	-	-	100,000	-	-	97,126	100,600
Total CFDA 14.231 and Subtotal CDBG Cluster											
Passed through County of Passaic											
CDBG-R Disaster Recovery Fuds											
* - *	14.253	2,075,000	130,000	2,075,000	-	-	133,950	-	75,000	1,866,050	133,950
Total CDBG - Entitlement Grants Cluster											
			3,100,353	6,004,071	-	2,953,314	2,813,684	69,877	75,000	6,138,578	
Emergency Shelter Grant											
07/01/2000 - 06/30/2001	N/A	117,000	-	13,493	-	-	-	(13,493)	-	-	103,507
07/01/2001 - 06/30/2002	N/A	118,000	-	7,789	-	-	-	(7,789)	-	-	110,211
07/01/2003 - 06/30/2004	N/A	121,000	-	22	-	-	-	(22)	-	-	120,978
07/01/2006 - 06/30/2007	N/A	126,788	23,805	2,501	-	-	23,805	21,304	-	-	148,092
07/01/2009 - 06/30/2010	N/A	126,944	21,543	21,607	-	-	21,544	-	-	63	126,881
07/01/2010 - 06/30/2011	N/A	128,592	15,272	15,272	-	-	15,272	-	-	-	128,592
07/01/2011 - 06/30/2012	N/A	129,776	6,923	8,250	-	-	6,923	-	-	1,327	128,449
07/01/2012 - 06/30/2013	N/A	232,425	40,841	55,843	-	-	40,840	-	-	15,003	217,422
07/01/2013 - 06/30/2014	N/A	176,259	-	104,111	-	-	83,300	-	-	20,811	155,448
07/01/2014 - 06/30/2015	N/A	193,085	5,343	-	-	193,085	49,993	-	-	143,092	49,993
Total CFDA 14.231											
			113,727	228,888	-	193,085	241,677	-	-	180,296	

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Program Income and Other Adjustments	Balance: June 30, 2015		Cumulative Expenditures
				Reserved	Encumbered				Encumbered	Reserved	
Department of Housing and Urban Development (continued)											
HOME Investment Partnership Program											
14.239	N/A	2,042,680	-	137,787	-	-	-	(137,787)	-	-	1,904,893
07/01/2003 - 06/30/2004	N/A	2,263,640	30,456	307,506	-	-	-	-	-	307,506	1,956,134
14.239	N/A	2,097,762	-	1,083,301	-	-	-	(387,334)	-	695,967	1,014,461
07/01/2005 - 06/30/2006	N/A	641,460	-	289,909	-	-	36,555	87,250	-	340,604	388,106
14.239	N/A	1,836,703	-	418,661	-	-	-	7,210	-	425,871	1,418,042
07/01/2007 - 06/30/2008	N/A	1,770,553	3,930	109,194	-	-	91,134	-	-	18,060	1,752,493
14.239	N/A	1,662,102	-	506,045	-	-	-	7,210	-	513,255	1,156,057
07/01/2009 - 06/30/2010	N/A	1,651,083	53,879	269,926	-	-	53,879	-	-	216,047	1,435,036
14.239	N/A	1,423,581	15,000	804,427	-	-	100,000	-	-	704,427	719,154
07/01/2011 - 06/30/2012	N/A	1,161,788	187,607	772,036	-	-	213,495	-	-	558,541	603,247
14.239	N/A	1,060,232	185,938	878,101	-	-	217,074	-	-	661,027	399,205
07/01/2013 - 06/30/2014	N/A	1,067,774	140,908	-	-	1,067,774	232,366	-	-	835,408	232,366
14.239	N/A		617,718	5,576,893	-	1,067,774	944,503	(423,451)	-	5,276,713	
Total CFDA 14.239											
Housing Opportunities for Persons with AIDS											
14.241	N/A	\$ 1,160,000	\$ -	\$ 19,012	\$ -	\$ -	\$ -	\$ (19,012)	\$ -	\$ -	\$ 1,140,988
07/01/2002 - 06/30/2003	N/A		-	237,918	-	-	-	(237,918)	-	-	822,314
14.241	N/A	1,060,232	-	50,383	-	-	-	(50,383)	-	-	1,201,617
07/01/2004 - 06/30/2005	N/A	1,252,000	-	20,218	-	-	-	(20,218)	-	-	1,312,782
14.241	N/A	1,333,000	-	112,567	-	-	127,353	14,787	-	497	1,395,322
07/01/2011 - 06/30/2012	N/A	1,381,032	421,597	452,521	-	-	443,283	-	-	9,238	1,370,762
14.241	N/A	1,380,000	670,329	1,294,558	-	-	804,389	-	-	490,169	804,389
07/01/2013 - 06/30/2014	N/A	1,294,558	35,394	-	-	1,356,224	34,967	-	-	1,321,257	34,967
14.241	N/A	1,356,224	1,239,887	2,187,673	-	1,356,224	1,409,992	(312,744)	-	1,821,161	
Total CFDA 14.241											
Neighborhood Stabilization											
14.264	N/A	\$ 1,196,877	\$ 179,799	\$ 410,931	\$ -	\$ -	\$ 189,333	\$ -	\$ -	\$ 221,598	\$ 975,279
07/01/2011 - 06/30/2012			179,799	410,931	-	-	189,333	-	-	221,598	
Total CFDA 14.264											
Section 8: Earned Administration Balances											
14.871	*	*	-	495,588	-	-	4,300	-	-	491,288	*
07/01/2011 - 06/30/2012			-	495,588	-	-	4,300	-	-	491,288	
Total CFDA 14.871											
Total Department of Housing and Urban Development											
			\$ 5,251,484	\$ 14,904,044	\$ -	\$ 5,570,397	\$ 5,603,489	\$ (666,318)	\$ 75,000	\$ 14,129,634	

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Program Income and Other Adjustments	Balance: June 30, 2015		Cumulative Expenditures
				Reserved	Encumbered				Encumbered	Reserved	
<b>Department of Interior</b>											
Passed through NJ Department of Environmental Protection											
Historic Preservation Fund Grants-In-Aid: CLG Historic District Grant 100-042-4875-											
* - *	15.904	\$ 23,835	\$ -	\$ -	\$ 23,835	\$ -	\$ -	\$ -	\$ -	\$ 23,835	\$ -
<b>Total Department of Interior and CFDA 15.904</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,835</b>	
<b>Department of Justice</b>											
Passed through NJ Department of Law and Public Safety											
Byrne Memorial Justice Assistance- Equipment Grant											
07/01/2012 - 06/30/2013	16.738	\$ 134,911	\$ -	\$ 61,453	\$ 27,391	\$ -	\$ 54,651	\$ -	\$ 18,217	\$ 15,976	\$ 100,718
07/01/2011 - 06/30/2012	16.738	160,946	-	446	720	-	-	-	720	446	159,780
Byrne Memorial Law Enforcement Technology Grant											
2010-066-1020-											
07/01/2011 - 06/30/2012	16.738	500,000	103,222	-	97,069	-	97,069	-	-	-	500,000
Passed through City of Passaic											
Byrne Memorial Justice Assistance Grant - Joint Application for the Cities of Clifton, Passaic and Paterson											
2009 - *	16.738	*	12,225	-	-	-	-	-	-	-	*
2013-DJ-BX-											
10/01/2012 - 09/30/2016	16.738	131,306	-	131,306	-	-	-	-	-	131,306	-
2014-H3763-NJ-											
10/01/2012 - 09/30/2016	16.738	147,423	-	-	-	147,423	-	-	-	147,423	-
Total CFDA 16.738 and Subtotal Department of Justice											
			115,447	193,205	125,180	147,423	151,720	-	18,937	295,151	
Bulletproof Vest Partnership Program											
* - *	16.607	N/A	-	-	3,285	-	-	-	3,285	-	-
COPS Hiring Program											
09/01/2013 - 08/31/2016	16.710	N/A	508,927	1,672,510	-	-	508,927	-	-	1,163,583	508,927
<b>Total Department of Justice</b>				<b>\$ 624,374</b>	<b>\$ 1,865,715</b>	<b>\$ 147,423</b>	<b>\$ 660,647</b>	<b>\$ -</b>	<b>\$ 22,222</b>	<b>\$ 1,458,734</b>	

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Current Year Appropriations	Paid or Charged	Program Income and Other Adjustments	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b>Department of Transportation</b>										
Highway Planning and Construction Cluster										
Passed through NJ Department of Transportation										
Main Street and Market Street Streetscape										
12/19/2007 - 06/30/2012	20.205	\$	225,000	\$	-	\$	-	\$	-	\$ 22,451
Spruce Street and Mc Bride Avenue Stabilization										
03/29/2009 - 06/30/2010	20.205	250,257	-	6,159	-	-	-	-	6,159	244,098
Spruce Street McBride Avenue Intersection										
07/01/2000 - 06/30/2001	20.205	200,000	-	173,396	2,170	53,935	-	12,835	108,796	78,369
Road Resurfacing										
07/01/2010 - 06/30/2011	20.205	509,860	-	41,655	-	-	(41,655)	-	-	468,205
05/26/2009 - 07/23/2010	20.205	190,000	75,873	1,109	-	-	(1,109)	-	-	188,891
2013 - *	20.205	563,650	422,738	563,650	-	508,244	-	-	55,406	508,244
2014 - *	20.205	607,860	-	-	607,860	9,813	-	-	598,047	9,813
2015 - *	20.205	579,986	-	-	579,986	-	-	-	579,986	-
Total CFDA 20.205			498,611	988,518	2,170	571,992	(42,764)	12,835	1,550,943	
Passed through NJ Transportation Planning Authority / NJIT-Rutgers office of Research and Sponsored Programs										
HUD Sustainable Community Planning Grant - North Jersey Sustainable Community Program Administration										
* - *	20.*	10,000	-	9,985	-	-	-	-	9,985	15
<b>Total Department of Transportation</b>										
			\$ 498,611	\$ 998,503	\$ 2,170	\$ 571,992	\$ (42,764)	\$ 12,835	\$ 1,560,928	
<b>Department of Environmental Protection</b>										
Passed through State of New Jersey										
Environmental Infrastructure Fund Loan -										
Phase I										
12/17/2002 - Completion	66.458	\$ 10,942,000	\$	177,409	\$	96,046	\$	\$	81,363	\$ 10,860,637
Phase II										
01/27/2004 - Completion	66.458	6,538,000	-	634,202	-	170,645	-	-	463,557	6,074,443
Phase III										
Various - Completion	66.458	21,919,000	-	7,400,195	-	-	-	-	7,400,195	14,518,805
<b>Total Department of Environmental Protection and CFDA 66.458</b>										
			\$ -	\$ 8,211,806	\$ -	\$ 266,691	\$ -	\$ -	\$ 7,945,115	



**THE CITY OF PATERSON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal CFDA Number	State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Current Year Appropriations	Paid or Charged	Program Income and Other Adjustments	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b><u>Department of Energy</u></b>										
Energy Efficiency and Renewal 10/14/2009 - 10/13/2012	81.117	N/A	\$ 1,344,800	\$ 972,742	\$ 57,205	\$ -	\$ -	\$ 57,205	\$ 972,742	\$ 314,853
<b>Total Department of Energy and CFDA 81.117</b>			<b>\$ -</b>	<b>\$ 972,742</b>	<b>\$ 57,205</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,205</b>	<b>\$ 972,742</b>	
<b><u>Department of Health and Human Services</u></b>										
Passed through National Association of County and City Health Officials Medical Reserve Corps Grant										
01/07/2015 - 07/31/2015	93.008		3,500	-	-	1,741	-	-	1,759	\$ 1,741
Grant # 5 MRC - CSG101005-04-00										
* - *	93.008		3,500	3,500	-	3,427	-	-	73	3,427
Grant # 5 MRC - CSG101005-04-00										
<b>Total CFDA 93.008</b>			<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>5,168</b>	<b>-</b>	<b>-</b>	<b>1,832</b>	
Passed through County of Passaic Department of Senior Services, Disability and Veterans Affairs Senior Citizen and Disabled Transportation Assistance										
(1) 01/01/2014 - 12/31/2014	93.044	*	222,000	148,071	148	147,930	-	78	211	221,711
(2) 01/01/2015 - 12/03/2015	93.044	*	202,000	-	-	83,591	-	725	117,684	83,591
Grant No.										
<b>Total CFDA 93.044</b>			<b>175,540</b>	<b>148,071</b>	<b>148</b>	<b>231,521</b>	<b>-</b>	<b>803</b>	<b>117,895</b>	
Passed through NJ Department of Health Tuberculosis Control (TB), Specialty Clinic Services										
07/01/2014 - 06/30/2015	93.116		\$ 208,700	\$ -	\$ -	\$ 206,077	\$ -	\$ 2,533	\$ 90	\$ 206,077
Grant Award No. EPID15TBS014										
07/01/2013 - 06/30/2014	93.116		208,700	1,723	956	2,679	-	-	-	208,700
Grant Award No. EPID14TBS001										
Tuberculosis Clinical, Nursing Case Management and Outreach Services										
01/01/2015 - 12/31/2015	93.116		97,254	48,878	1,410	49,280	-	-	1,008	96,246
01/01/2014 - 12/31/2014	93.116	*	97,254	-	-	45,486	-	3,140	48,628	45,486
Grant No. EPID14TAC001										
Sexually Transmitted Disease (STD)										
07/01/2014 - 06/30/2015	93.116		88,535	-	-	87,983	-	360	192	87,983
Grant Award No. EPID15STD007										
07/01/2013 - 06/30/2014	93.116		88,535	379	48	427	-	-	-	88,535
Grant Award No. EPID14STD003										
<b>Total CFDA 93.116</b>			<b>404,009</b>	<b>50,980</b>	<b>2,414</b>	<b>391,932</b>	<b>-</b>	<b>6,033</b>	<b>49,918</b>	
Passed through NJ Department of Children and Families School Based Youth Services Program										
(3) 07/01/2014 - 06/30/2015	93.558	2015-016-1630-	\$ 304,690	\$ -	\$ -	\$ 225,765	\$ -	\$ 3,390	\$ 75,535	\$ 225,765
07/01/2013 - 06/30/2014	93.558	100-013/033	-	35,492	1,136	36,628	-	-	-	304,690
Grant No. 14AVRP										
<b>Total CFDA 93.558</b>			<b>304,690</b>	<b>35,492</b>	<b>1,136</b>	<b>262,393</b>	<b>-</b>	<b>3,390</b>	<b>75,535</b>	

See Accompanying Notes to Expenditures of Federal Awards and State Financial Assistance.

**THE CITY OF PATERSON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal CFDA Number	State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Program Income and Other Adjustments	Balance: June 30, 2015		Cumulative Expenditures
				Reserved	Encumbered				Encumbered	Reserved	
<b>Department of Health and Human Services (continued)</b>											
Passed through NJ Department of Children and Families											
Parent Linking Program - Support Pregnant and Parenting Teens											
	2015-016-1630-										
	07/01/2014 - 06/30/2015	93,500	\$ 5,500	\$ -	\$ -	\$ 5,500	\$ 5,500	\$ -	\$ -	\$ -	\$ 5,500
	100-063										
	2015-016-1630-										
	07/01/2014 - 06/30/2015	93,500	68,728	-	-	68,728	68,728	-	-	-	68,728
	100-063										
	14AYRP / APU;										
	1630-063										
	07/01/2013 - 06/30/2014	93,500	-	-	126,946	-	91,636	-	35,310	-	97,406
	Total CFDA 93.500		74,228	-	126,946	74,228	165,864	-	35,310	-	
Passed through NJ Department of Children and Families											
Parent Linking Program - School Based Youth Services											
	2015-016-1630-										
	07/01/2014 - 06/30/2015	93,596	81,169	-	-	81,169	38,977	-	42,192	-	38,977
	100-019		81,169	-	-	81,169	38,977	-	42,192	-	
Ryan White HIV Emergency Relief Project Grants											
	03/01/2013 - 02/28/2014	93,914	\$ 3,017,992	\$ -	\$ -	\$ 3,017,992	\$ 594,366	\$ -	\$ 292,615	\$ 2,131,011	\$ 594,366
	03/01/2014 - 02/28/2015	93,914	3,862,726	448,712	93,304	2,844,847	3,352,370	-	-	34,493	3,828,233
Minority Aids Initiative Program											
	03/01/2013 - 02/28/2014	93,914	-	-	-	277,230	41,310	-	-	235,920	41,310
	03/01/2014 - 02/28/2015	93,914	-	72,787	-	253,075	314,078	-	-	11,784	334,754
	N/A										
	Total CFDA 93.914		3,828,085	521,499	93,304	6,393,144	4,302,124	-	292,615	2,413,208	
HIV/AIDS Counseling and Testing/Notification Assistance Program											
	Grant award No.										
	07/01/2013 - 06/30/2014	93,917	163,323	-	-	243,400	215,661	-	23,321	4,418	215,661
	AIDS1ACTN002										
	07/01/2012 - 06/30/2013	93,917	139,167	4,169	18,278	-	22,447	-	-	-	243,400
	046-4245-100-056		302,490	4,169	18,278	243,400	238,108	-	23,321	4,418	
	Total CFDA 93.917										
Special Projects of National Significance											
	Grant No.										
	09/01/2014 - 08/31/2017	93,928	\$ 500,000	-	-	500,000	20,666	-	257,634	221,700	\$ 20,666
	H97HA27535										
	Total CFDA 93.928		-	-	-	500,000	20,666	-	257,634	221,700	
Passed through NJ Department of Health											
Child Health											
	Grant Award No.										
	DFHS1SCHD010										
	07/01/2014 - 06/30/2015	93,994	230,846	159,877	-	230,846	210,398	-	19,950	498	210,398
	Grant Award No.										
	DFHS14CHD001										
	07/01/2013 - 06/30/2014	93,994	230,846	66,632	4,658	-	12,328	-	-	-	230,846
	06/30/2014			226,509	7,670	230,846	222,726	-	19,950	498	
	Total CFDA 93.994										
<b>Total Department of Health and Human Services</b>											
			\$ 5,400,220	\$ 768,369	\$ 249,896	\$ 8,427,466	\$ 5,879,479	\$ -	\$ 681,248	\$ 2,885,004	

See Accompanying Notes to Expenditures of Federal Awards and State Financial Assistance.

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Encumbered	Current Year Appropriations	Paid or Charged	Program Income and Other Adjustments	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b>Department of Homeland Security</b>											
Assistance to Firefighters Grant Program - Fire Prevention and Safety Grants											
06/04/2014 - 06/03/2015	97.044	Grant No. EMW- 2013-FO-02089 \$ 639,576	\$ 639,576	\$ -	\$ -	\$ 639,576	\$ 639,576	\$ -	\$ -	\$ -	\$ 639,576
2013 - *	97.044	Grant No. EMW- 2013-FP-00195 54,878	54,878	-	-	54,878	54,878	-	-	-	*
2011 - *	97.044	N/A 68,204	-	100	-	-	-	-	-	100	68,104
07/01/2011 - 06/30/2012	97.044	N/A 134,670	-	65,951	-	-	-	-	-	65,951	68,719
Total CFDA 97.044			694,454	66,051	-	694,454	694,454	-	-	66,051	
Fire Station Construction											
07/01/2009 - 06/30/2010	97.067	66-1200-100-A70 4,500,000	-	-	250,442	-	250,442	-	-	-	4,500,000
Passed through NJ Department of Law and Public Safety											
Urban Area Security Initiative Grants - Homeland Security Grant Program											
State Police, Fire Urban Search and Rescue (USAR): Metro Strike Team, Structure Collapse and Annual Must Exercise FD Programs											
* - *	97.067	066-1200-100-975 129,041	-	105,690	-	-	17,436	-	-	88,254	40,787
Total CFDA 97.067			-	105,690	250,442	-	267,878	-	-	88,254	
Subtotal Department of Homeland Security											
S.A.F.E.R. Fire Retention Grant											
07/01/2012 - 02/28/2015	97.083	Grant No. EMW- 2012-FH-00402 \$ 7,058,340	2,876,270	3,043,618	-	-	3,043,618	-	-	-	\$ 7,058,340
Passed through NJ Department of Law and Public Safety											
Blue Acres Grant											
07/01/2011 - 06/30/2012	97.039	2012-066-1200-100-A76 5,773,115	139,429	5,292,659	372,336	-	1,052,049	-	361,918	4,251,028	1,160,169
Hurricane Sandy Aid											
N/A - N/A	97.036	066-1200-100-A92 525,000	151,214	-	-	-	-	-	-	-	525,000
Total Department of Homeland Security											
			\$ 3,861,367	\$ 8,508,018	\$ 622,778	\$ 694,454	\$ 5,057,999	\$ -	\$ 361,918	\$ 4,405,333	
TOTAL FEDERAL AWARDS											
			\$ 15,636,556	\$ 36,229,197	\$ 1,060,514	\$ 16,051,921	\$ 18,040,297	\$ (709,082)	\$ 1,210,428	\$ 33,381,825	

(1) Includes State Casino Revenue Funding of \$175,540 and Federal Title III Older Americans Act Funding of \$46,460.  
(2) Includes State Casino Revenue Funding of \$155,540 and Federal Title III Older Americans Act Funding of \$46,460.  
(3) Includes School Linked State Funding of \$257,414 and Federal School Linked TANF Funding of \$47,276.

\* - Information not available

**THE CITY OF PATERSON**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b><u>NJ Governor's Council on Alcohol and Drug Abuse (GCADA)</u></b>										
Passed through the County of Passaic Department of Human Services										
Paterson Municipal Alliance Prevention Program (PM/APP) Municipal Alliance Strategic Plan										
07/01/2012 - 06/30/2013	\$ 39,680	\$ 22,762	\$ 235	\$ 16,788	\$ -	\$ 10,606	\$ -	\$ 6,211	\$ 206	\$ 33,263
07/01/2014 - 06/30/2015	61,641	-	-	-	61,641	29,891	-	8,608	23,142	29,891
<b>Total Municipal Alliance and NJ Governor's Council on Alcohol and Drug Abuse (GCADA)</b>		<b>\$ 22,762</b>	<b>\$ 235</b>	<b>\$ 16,788</b>	<b>\$ 61,641</b>	<b>\$ 40,497</b>	<b>\$ -</b>	<b>\$ 14,819</b>	<b>\$ 23,348</b>	
<b><u>Department of Law and Public Safety</u></b>										
Body Armor Replacement Fund										
07/01/2012 - 06/30/2013	\$ 33,600	\$ -	\$ -	\$ 16,968	\$ -	\$ 16,968	\$ -	\$ -	\$ -	\$ 33,600
1020-718-066-1020-718-066-1020-001-YCJF-6120	41,714	-	-	41,714	-	34,388	-	7,326	-	34,388
2015-066-1020-718-001	34,409	34,409	-	-	34,409	-	-	-	34,409	-
<b>Total Body Armor Replacement Fund</b>		<b>\$ 34,409</b>	<b>\$ -</b>	<b>\$ 58,682</b>	<b>\$ 34,409</b>	<b>\$ 51,356</b>	<b>\$ -</b>	<b>\$ 7,326</b>	<b>\$ 34,409</b>	<b>\$ -</b>
Passed through County of Passaic Youth Services Commission Evening Reporting Program										
100-066-1500-168	124,650	-	68,606	-	-	-	-	-	68,606	56,044
100-066-1500-168	124,527	-	100,013	-	-	-	-	-	100,013	24,514
100-066-1500-168	106,830	-	905	-	-	-	-	-	905	105,925
100-066-1500-168	116,830	-	4,381	-	-	-	-	-	4,381	112,449
100-066-1500-168	106,830	-	7,514	100	-	-	-	100	7,514	99,216
01/01/2014 - 12/31/2014	105,975	72,341	93,982	-	-	62,401	-	1,348	30,233	74,394
01/01/2015 - 12/31/2015	103,855	-	-	-	103,855	12,055	-	-	91,800	12,055
<b>Total Passaic County Youth Services Commission Evening Reporting</b>		<b>\$ 72,341</b>	<b>\$ 275,401</b>	<b>\$ 100</b>	<b>\$ 103,855</b>	<b>\$ 74,456</b>	<b>\$ -</b>	<b>\$ 1,448</b>	<b>\$ 303,452</b>	
<b>Subtotal Department of Law and Public Safety</b>		<b>106,750</b>	<b>275,401</b>	<b>58,782</b>	<b>138,264</b>	<b>125,812</b>	<b>-</b>	<b>8,774</b>	<b>337,861</b>	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b>Department of Law and Public Safety (continued)</b>									
Operation Cease Fire									
07/01/2010 - 06/30/2011	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -
DWI Drunk Driving Enforcement Fund									
6400-100-78-									
6400--YYYY	22,345	10,897	-	22,345	10,670	-	-	11,675	10,670
FY2015 Pedestrian Safety Grant									
07/01/2014 - 06/30/2015	16,000	-	-	16,000	15,200	-	-	800	15,200
Safe and Secure Communities Program									
2014-066-1020-									
100-232	199,563	199,563	-	199,563	199,563	-	-	-	199,563
<b>Total Department of Law and Public Safety</b>		\$ 317,210	\$ 290,401	\$ 376,172	\$ 351,245	\$ -	\$ 8,774	\$ 365,336	

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**Department of Children and Families**

Passed Through Passaic County Youth Services Commission - Family Court Funding

Total Lifestyle and Support Program									
100-54-7570-									
280	87,633	-	46,561	-	-	-	-	46,561	41,072
100-54-7570-									
280	82,633	82,633	79,651	-	75,522	-	-	4,129	78,504
100-54-7570-									
280	86,980	21,162	-	86,980	46,181	-	-	40,799	46,181
Total Lifestyle Support Program Additional Funding									
2015-016-1610-									
100-039	49,111	20,460	22,731	-	-	-	-	22,731	26,380
Total Lifestyle and Support Program Grants		124,255	148,943	86,980	121,703	-	-	114,220	
<b>Total Department of Children and Families</b>		\$ 124,255	\$ 148,943	\$ 86,980	\$ 121,703	\$ -	\$ -	\$ 114,220	

**Department of State**

NJ Historical Commission

Deleware-Lenape Culture Permanent Exhibit of the Paterson Museum

07/01/2012 - 06/30/2013	\$ 1,200	\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ -
NJ State Council on the Arts - Partner Agency of the National Endowment for the Arts									
Quarterly Visual Art Exhibition Series									
01/01/2012 - 12/31/2012	1,600	-	1,600	-	-	-	-	1,600	-
Public Archives & Records Infrastructure Support Grant (PARIS)									
2006	*	-	12,629	-	-	-	-	12,629	*
2007	*	-	-	29,377	-	-	29,377	-	*

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b><u>Department of State (continued)</u></b>									
Passed Through Passaic County Cultural and Heritage Council Museum Grant									
100-074-2530-032	07/01/2005 - 06/30/2006 Museum Council -2009	1,000	-	-	-	-	-	335	665
100-074-2530-032	07/01/2010 - 06/30/2011 Art Grant	1,000	-	-	-	-	-	131	869
100-074-2530-032	07/01/2010 - 06/30/2011 Exhibit Freedom Boulevard Gate	330	-	-	-	-	-	330	-
100-074-2530-032	07/01/2010 - 06/30/2011	440	-	-	-	-	-	440	-
<b>Total Department of State</b>		\$ -	\$ 16,665	\$ 29,377	\$ -	\$ -	\$ 29,377	\$ 16,665	
<b><u>Department of Health</u></b>									
Passed through County of Passaic Public Health Preparedness and Response for Bioterrorism									
4230-100-350-2009	07/01/2014 - 06/30/2015	\$ 226,525	\$ -	\$ 226,525	\$ 220,280	\$ -	\$ 5,140	\$ 1,105	\$ 220,280
4230-100-350-2009	07/01/2013 - 06/30/2014 Total Bioterrorism Preparedness	218,398	61,742	-	3,654	-	10	3,302	215,086
	Healthy Communities Grant		221,529	226,525	223,934	-	5,150	4,407	
* - *		12,000	-	12,000	-	-	12,000	-	-
<b>Total Department of Health and Human Services</b>		\$ 233,529	\$ 2,960	\$ 238,525	\$ 223,934	\$ -	\$ 17,150	\$ 4,407	
<b><u>Department of Human / Youth Services</u></b>									
Passed Through County of Passaic Youth Services Commission Paterson Station House Adjustment Component - Station House Adjustment Program									
01/01/2014 - 12/31/2014	JABG-13	\$ 18,869	\$ 18,869	\$ -	\$ 18,552	\$ -	\$ -	\$ 317	\$ 18,552
07/01/2011 - 06/30/2012	JABG-12	19,021	25	-	-	-	-	25	18,996
<b>Total Station House Adjustment Program and Department of Human / Youth Services</b>		\$ 18,869	\$ 18,894	\$ -	\$ 18,552	\$ -	\$ -	\$ 342	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Account		Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2015		Cumulative Expenditures		
Number or Other Identifier				Reserved	Encumbered				Encumbered	Reserved			
<b>Economic Development Authority - Hazardous Discharge Site Remediation</b>													
Process Discharge Site:													
Cliff Street/Belmont Apartments													
*	*		\$	-	\$	20,263	\$	-	\$	20,263	\$	*	
36-40 Straight Street	*			-		2,740		-		-		*	
533-539 Totowa Salvatore Site	*			-		24,035		-		-		*	
Passaic Falls Overlook Park	*			-		41,290		-		41,290		*	
Riverwalk	*	575,723		-		66,292		-		-	\$	575,723	
Addy Mill	*	102,857		-		83,449		-		-		102,857	
ATP	*	*		-		90,896		-		-		*	
	*	*		-	500	-		-		-	500	*	
Columbia Textiles Phase II	*	472,120		-	200	-		-		-	200	471,920	
Columbia Textiles Phase III	*	168,142		-	-	130,549		-		30,934		137,208	
<b>Total Economic Development Authority and Discharge Site</b>													
			\$	-	\$	700	\$	459,514	\$	367,027	\$	700	
<b>Department of Environmental Protection</b>													
Recycling Tonnage Grant													
752-42-4900-1-													
07/01/2012 - 06/30/2013		\$	238,701	\$	113,173	\$	13,611	\$	-	\$	124,000	\$	114,701
07/01/2008 - 06/30/2009			222,858		222,858		-		-	79	115,858	106,921	
2015-042-4910-													
100-224													
Total Recycling Tonnage Grant		221,874	221,874	-	336,031	-	-	221,874	-	-	221,874	-	
Solid Waste Administration - Clean Communities Program Grant													
765-042-4900-													
07/01/2012 - 06/30/2013		169,792		-	475	733		-		411	97	169,284	
2015-042-4900-													
765-004		193,565	193,565		-	-		193,565		-	192,702	863	
765-042-4900-													
07/01/2012 - 06/30/2013		159,203	-	159,203	-	-		-		18,026	2,182	138,995	
2015-042-4900-										18,437	194,981		
Total Clean Communities Grant Program		193,565	193,565	-	159,678	733		193,565	-	-	-	-	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

THE CITY OF PATERSON  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b>Department of Environmental Protection (continued)</b>										
Green Acres Trust Local Programs:										
Various Park Improvements - Loan										
2009-042-4800-										
10/25/2005 Completion	\$ 1,585,363	\$ 323,103	\$ 1,125,475	\$ -	\$ -	\$ 643,494	\$ -	\$ -	\$ 481,981	\$ 1,103,382
Various Park Improvements - Grant										
2009-042-4800-										
10/25/2005 - Completion	1,585,363	323,103	1,125,475	-	-	643,495	-	-	481,980	1,103,383
Restoration and Revitalization of Pennington Park - Loan										
12/22/2008 - 12/22/2010	1,888,627	-	165,816	-	-	-	-	-	165,816	1,722,811
Restoration and Revitalization of Pennington Park - Grant										
4800-006-V22G-										
12/22/2008 - 12/22/2010	1,888,627	-	165,815	-	-	-	-	-	165,815	1,722,812
ATP Site/Haines Overlook Park Riverwalk Extension -Loan										
11/02/2008 - Completion	783,665	-	783,665	-	-	-	-	-	783,665	-
ATP Site/Haines Overlook Park Riverwalk Extension -Grant										
11/02/2008 - Completion	1,283,665	-	1,283,665	-	-	-	-	-	1,283,665	-
Total Green Acres Trust Local Programs		646,206	4,649,911	-	-	1,286,989	-	-	3,362,922	
Subtotal Department of Environmental Protection										
		1,061,645	5,145,620	14,344	415,439	1,537,252	-	18,516	4,019,635	
Municipal Storm Water Regulation Program										
Environmental Infrastructure Trust Loan - Phase III										
07/01/2005 - 06/30/2006	538	-	538	-	-	-	-	-	538	-
4860-510-041-										
11/10/2005 - Completion	10,486,570	-	10,486,570	-	-	917,878	-	-	9,568,692	917,878
Total Department of Environmental Protection										
		\$ 1,061,645	\$ 15,632,728	\$ 14,344	\$ 415,439	\$ 2,455,130	\$ -	\$ 18,516	\$ 13,588,865	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.



**THE CITY OF PATERSON**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Account Number or Other Identifier	Program or Award Amount	Funds Received	Balance: June 30, 2014 Reserved	Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2015 Encumbered	Reserved	Cumulative Expenditures
<b><u>Department of Commerce and Economic Development</u></b>										
Urban Enterprise Zone -										
Main Street Improvement Program - Phase I										
2830-763-20-										
07/01/2008 - 06/30/2009	\$ 674,180	\$ -	\$ 48,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,431	\$ 625,749
Business Improvement - Phase II										
2830-763-20-										
07/01/2008 - 06/30/2009	500,000	-	2,198	-	-	-	-	-	2,198	497,802
Marketing and Business Development Program Phase II										
2830-763-20-										
07/01/2005 - 06/30/2006	750,000	9,053	74,489	-	-	15,640	-	-	58,849	691,151
Streetscape Planters Project										
2830-763-20-										
07/01/2009 - 06/30/2010	85,000	-	9,035	-	-	-	-	-	9,035	75,965
Video Surveillance Project										
2830-763-20-										
07/01/2010 - 06/30/2011	1,500,000	95,490	-	-	-	-	-	-	-	1,500,000
Passed through Paterson Restoration Corp.										
Administration										
2830-763-20-										
07/01/2013 - 06/30/2014	198,800	77,402	21,652	1,751	-	3,218	-	906	19,279	178,615
07/01/2014 - 06/30/2015	242,031	85,137	-	-	242,031	119,874	-	5,339	116,818	119,874
William Paterson University Small Business Development Center Year 15										
2830-763-20-										
07/01/2013 - 06/30/2014	50,000	-	-	30,477	-	27,138	-	3,339	-	46,661
William Paterson University Small Business Development Center Year 16										
07/01/2014 - 06/30/2015	50,000	-	-	-	50,000	17,919	-	32,081	-	17,919
UEZ - Clean Communities Project										
2830-763-20-										
07/01/2011 - 06/30/2012	350,000	-	144,105	583	-	-	-	16,883	127,805	205,312
<b>Total Department of Commerce and Economic Development and UEZ Grants</b>										
	\$	267,082	\$ 299,910	\$ 32,811	\$ 292,031	\$ 183,789	\$ -	\$ 58,548	\$ 382,415	
<b><u>State of New Jersey Historic Trust</u></b>										
Hinchliffe Stadium Grant										
07/01/2012 - 06/30/2013	\$ 500,000	-	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -
<b>Total State of New Jersey Historic Trust</b>										
	\$	-	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

\* - Information not available

**THE CITY OF PATERSON**  
**SCHEDULE OF EXPENDITURES OF OTHER FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Balance: June 30, 2015		Cumulative Expenditures
		Reserved	Encumbered			Encumbered	Reserved	
<b><u>Other Grants</u></b>								
Anita Tenk Spay and Neuter Program 04/01/02 05/30/13 \$ 9,656	\$ -	\$ -	\$ 56	\$ -	\$ -	\$ 56	\$ -	\$ 9,600
Paterson Museum Mineral Display Grant 07/01/12 06/30/13 * 2,000	-	2,000	-	-	-	-	2,000	-
Paterson Museum Mineral Hall Collection Donations 07/01/03 06/30/04 10,000	5,000	-	-	5,000	-	-	5,000	-
First Ward Library Renovation Insurance Grant 07/01/11 06/30/12 326,413	-	2,515	-	-	-	-	2,515	7,485
Community Foundation of NJ Give and Receive Summer Program 07/01/12 06/30/13 20,000	-	247,878	-	-	9,096	1	238,781	87,631
Community Foundation of NJ Give and Receive Summer Program Summer 2014 T-GARP Support Grant 06/01/14 08/31/14 20,000	20,000	-	-	20,000	19,775	-	225	19,775
Silk City Woman's Club Museum Grant 07/01/11 06/30/12 1,000	-	1,000	-	-	-	-	1,000	-
Hannah Family Memorial Grant 07/01/07 06/30/08 2,000	-	1,436	-	-	-	-	1,436	564
Museum Brochure Grant- Donald Baer 07/01/07 06/30/08 1,000	-	1,000	-	-	-	-	1,000	-
PSE&G Emergency Preparedness Grant 07/01/12 06/30/13 5,000	-	112	-	-	-	-	112	4,888
Cablevision Public Education and Government Access Program 07/01/04 06/30/05 100,000	-	42,640	-	-	3,260	-	39,380	60,620
Paterson Museum Pharmacy Exhibit Donations * 711	-	-	-	711	-	-	711	-
Paterson Museum Dan Oliff Memorial Veterans Exhibit * 10,000	10,000	-	-	10,000	-	-	10,000	-
<b>Total Other Grants</b>	<b>35,000</b>	<b>298,714</b>	<b>56</b>	<b>35,711</b>	<b>32,131</b>	<b>57</b>	<b>302,293</b>	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

**THE CITY OF PATERSON**  
**SCHEDULE OF EXPENDITURES OF OTHER FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Balance: June 30, 2015		Cumulative Expenditures
		Reserved	Encumbered			Encumbered	Reserved	
<b><u>Hudson County Open Space Preservation Trust:</u></b>								
Pennington Park Gazebo								
07/01/11 06/30/12 \$ 175,000	\$ 39,790	\$ 2,000	\$ 31,656	\$ -	\$ -	\$ 31,656	\$ 2,000	\$ 141,344
Passaic River Waterfront Study								
07/01/10 06/30/11 30,000	-	30,000	-	-	-	-	30,000	-
Analysis Pocket Parks								
07/01/10 06/30/11 30,000	-	11,267	405	-	405	-	11,267	18,733
Middle Lower Raceway Investigation and Design								
07/01/10 06/30/11 500,000	-	40,000	-	-	-	-	40,000	460,000
Middle Lower Raceway								
07/01/08 06/30/09 45,000	-	45,000	-	-	-	45,000	-	-
M.E. Kramer Park - Phase I								
07/01/05 06/30/06 125,000	21,677	-	11,510	-	11,510	-	-	125,000
M.E. Kramer Park - Phase II								
07/01/06 06/30/07 125,000	125,000	-	125,000	-	125,000	-	-	125,000
M.E. Kramer Park - Phase III								
07/01/07 06/30/08 50,000	-	-	50,000	-	50,000	-	-	50,000
M.E. Kramer Park - Phase IV								
07/01/08 06/30/09 95,000	-	-	95,000	-	95,000	-	-	95,000
M.E. Kramer Park - Rollover								
07/01/08 06/30/09 45,000	-	-	45,000	-	45,000	-	-	45,000
Overlook Park Improvements								
07/01/05 06/30/06 150,000	-	143,059	-	-	-	100,000	43,059	6,941
Eastside Park Concession Stand / Cricket House								
10/08/13 * 260,000	-	260,000	-	-	-	-	260,000	-
<b>Total Open Space Preservation Trust</b>	<b>\$ 186,467</b>	<b>\$ 531,326</b>	<b>\$ 358,571</b>	<b>\$ -</b>	<b>\$ 326,915</b>	<b>\$ 176,656</b>	<b>\$ 386,326</b>	
<b><u>Passaic County Prosecutor</u></b>								
Passaic County Prosecutor's Office Franklin Reward								
07/01/10 06/30/11 \$ 30,000	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 27,500
Passaic County Prosecutor's Office Confidential Forfeiture Fund								
07/01/12 06/30/13 10,000	-	9,000	-	-	-	-	9,000	1,000
<b>Total Passaic County Prosecutor</b>	<b>\$ -</b>	<b>\$ 11,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,500</b>	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

**THE CITY OF PATERSON**  
**SCHEDULE OF EXPENDITURES OF OTHER FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Program or Award Amount	Funds Received	Balance: June 30, 2014		Current Year Appropriations	Paid or Charged	Balance: June 30, 2015		Cumulative Expenditures
		Reserved	Encumbered			Encumbered	Reserved	
<b><u>Paterson Restoration Corporation</u></b>								
Paterson Restoration Corporation Master Plan Grant								
07/01/11 06/30/12 \$ 130,000	\$ -	\$ 1,000	\$ -	\$ -	-	\$ -	\$ 1,000	\$ 129,000
Division of Comm. Improvements Technology Upgrade Grant								
09/25/13 * 125,000	-	41,022	23,885	-	23,839	-	41,068	83,932
Rogers Building Scaffolding Grant								
* 14,800	-	-	14,800	-	14,800	-	-	14,800
<b>Total Paterson Restoration Corporation</b>	<b>\$ -</b>	<b>\$ 42,022</b>	<b>\$ 38,685</b>	<b>\$ -</b>	<b>\$ 38,639</b>	<b>\$ -</b>	<b>\$ 42,068</b>	
<b>Total Other Financial Assistance</b>	<b>\$ 221,467</b>	<b>\$ 883,562</b>	<b>\$ 397,312</b>	<b>\$ 35,711</b>	<b>\$ 397,685</b>	<b>\$ 176,713</b>	<b>\$ 742,187</b>	

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

**CITY OF PATERSON**  
**NOTES TO SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE A. GENERAL**

The City of Paterson (the “City”), received and continues to participate in numerous federal award and state financial assistance programs, in the form of grant cost reimbursements and revenue sharing entitlements. The City is the reporting entity for the grant programs received. Administration of the grant programs is performed by the various departments of the City.

Reporting

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state programs of the City. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance.

The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the provisions of the New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Federal awards provided to sub-recipients are treated as expenditures when paid.

**NOTE B. BASIS OF ACCOUNTING**

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for federal awards and state financial assistance through the following accounting practices which differ from those required by accounting principles generally accepted in the United States of America.

The City, in accordance with the Division’s directives, fully realizes revenues and charges appropriations when grants are adopted by the governing body in the budget of its Current Fund. The revenues are charged and the receivable accounted for in the State and Federal Grants Fund. Appropriations are charged and the amount allotted for spending is accounted for as an appropriated reserve. Programs within the General Capital Fund and various Trust Funds (other than the State and Federal Grants Fund) are accounted for within the equivalent revenue accounts for those respective funds. Expenditures are measured from payments charged directly to specific grant programs.

**CITY OF PATERSON**  
**NOTES TO SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE B. BASIS OF ACCOUNTING (continued)**

*Local Contributions* – Local matching contributions are required by certain federal and state grants. The amount of percentage of matching contributions varies with each program. Local matching contributions are raised in the Current Fund budget.

**NOTE C. REPORTING ENTITY**

The City, for purposes of the schedules of expenditures of federal awards and state financial assistance, includes all of the primary government as defined by criteria established by the Governmental Accounting Standards Board.

The City administers certain federal and state award programs through subrecipients. Those subrecipients are not considered part of the City's reporting entity.

**NOTE D. PASS-THROUGH AWARDS**

The City receives certain federal awards from pass-through awards of the state. The amounts received are commingled by the state with other funds and cannot be separately identified.

**NOTE E. CONTINGENCIES**

Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable laws and regulations. Federal and state grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. Such contingencies are fully disclosed in the Note N to the Financial Statements.

**NOTE F. MONITORING OF SUB-RECIPIENTS**

Under the requirements of the Single Audit Act and State regulations, if the City, as a primary recipient, receives federal and state financial assistance and provides \$500,000 or more of such assistance to a sub-recipient in a fiscal year, the City is responsible for determining that the expenditures of federal and state monies passed through to sub-recipients are utilized in accordance with applicable laws and regulations.

**CITY OF PATERSON**  
**NOTES TO SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
  
**FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE G. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The regulations and guidelines governing the preparation of federal and state financial reports vary by federal and state agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts reported in the accompanying schedules of expenditures of federal awards and state financial assistance, which are prepared on the basis of accounting explained in Note B.

**NOTE I. COMMINGLED ASSISTANCE**

The individual sources of federal awards are not always separately identifiable because of commingled assistance from different levels of government. The following awards include both state and federal funding which are not separately identifiable, and which are reported on the schedule of expenditures of federal awards:

The U.S. Department of Health and Human Services includes the following:

- (1) An award passed through the County of Passaic Department of Senior Services, Disability and Veterans Affairs in the amount of \$222,000 for Senior Citizen and Disabled Transportation Assistance includes State Casino Revenue Funding of \$175,540 and Federal Title III Older Americans Act Funding of \$46,460.
- (2) An award passed through the County of Passaic Department of Senior Services, Disability and Veterans Affairs in the amount of \$202,000 for Senior Citizen and Disabled Transportation Assistance includes State Casino Revenue Funding of \$155,540 and Federal Title III Older Americans Act Funding of \$46,460.
- (3) An award passed through the NJ Department of Children and Families in the amount of \$304,690 for the School Based Youth Services Program which includes School Linked State Funding of \$257,414 and Federal School Linked TANF Funding of \$47,276.



**CITY OF PATERSON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditors report issued:	Qualified (as prescribed by NJ DLGS)			
	<u>Adverse (according to GAAP)</u>			
Internal Control over Financial Reporting:				
1) Material weakness(es) identified?	<u>✓</u>	<u>Yes</u>	Finding 2015-001	<u>No</u>
2) Significant deficiency(ies) identified?		<u>Yes</u>		<u>✓</u> <u>No</u>
Noncompliance material to basic financial statements noted?	<u>✓</u>	<u>Yes</u>	Finding 2015-001	<u>No</u>

Federal Awards

Internal Control over Major Programs:				
1) Material weakness(es) identified?		Yes		✓ No
2) Significant deficiency(ies) identified?		Yes		✓ No
Type of auditor's report on compliance for major programs:				
	Unmodified for all major federal programs.			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?		Yes		✓ No

Identification of major Federal Programs:

CFDA Number	Name of Federal Program or Cluster
14.253 / 14.218	- CDBG Entitlement Grants Cluster
14.239	- HOME Investment Partnership Program
14.241	- Housing Opportunities for Persons with AIDS
20.205	- Highway Planning and Construction
93.914	- HIV Emergency Relief Project Grants
97.044	- Assistance to Firefighters Grant Program
97.083	- Staffing for Adequate Fire and Emergency Response (SAFER)
97.039	- Blue Acres Grant

Dollar threshold used to distinguish between Type A and Type B Programs:	\$	541,209
Auditee qualified as low-risk auditee?	Yes	✓ No

State Financial Assistance

**CITY OF PATERSON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Section I - Summary of Auditor's Results**

Type of auditor's report on compliance for major programs: Unmodified for all major State programs.

Internal Control over Compliance:

1) Material weakness(es) identified?	Yes	✓	No
2) Significant deficiency(ies) identified?	Yes	✓	No

Any audit findings disclosed that are required to be reported in accordance with NJ OMB 15-08, as amended?	Yes	✓	No
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Identification of major State programs

State Grant Number	Name of State Program
*	- Hazardous Discharge Site Remediation
042-4800	- Green Acres Trust
4860-510-041-10	- Municipal Storm Water Regulation Program
	Environmental Infrastructure Trust Loan - Phase III

Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 300,000
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## CITY OF PATERSON

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued) FOR THE YEAR ENDED JUNE 30, 2015

#### Section II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

#### **Finding 2015-001**

Material Weakness in Internal Control

Noncompliance Material to Basic Financial Statements

Criteria: The City is required by N.J.A.C. 5:30-5.6 to establish and maintain a physical inventory of fixed assets of nonexpendable, tangible property. The reporting system must have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. Further, the subsidiary ledger is required to ensure that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use, and condition of the property.

Condition/Context: The City's fixed asset listing was not updated during the year under audit.

Effect: (1) The City's fixed asset inventory system is not in compliance with N.J.A.C. 5:30-5.6, (2) the fixed asset inventory is potentially misstated on the financial statements and (3) the lack of controls over fixed assets increases the possibility of misappropriation of inventory.

Cause: The City's fixed asset inventory system relies on manual review of vouchers post-purchase to record additions. Such review was not conducted. Further, no formal disposal policies appear to be followed.

Recommendation: The City should make certain all physical asset additions and disposals are reflected in the accounting system.

#### **Views of Responsible Officials**

The City is in the process of obtaining bids for an independent appraisal, inventory and tagging of its fixed assets. The City also expects to receive an electronic copy of this inventory to be loaded into the software application about to be purchased that will allow the City to maintain its own inventory on an ongoing basis.

**CITY OF PATERSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2015**

**Section III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

This section identifies audit findings required to be reported by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

NONE NOTED

**CITY OF PATERSON**  
**SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**  
**AS PREPARED BY MANAGEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**Status of Prior Year Findings**

**FINDING 2014-001:** Financial Statement Finding

Condition: The actuarial accrued liability and net OPEB obligation amount required to be disclosed in the financial statements have not been updated in accordance with GASB 45.

Current Status: This finding has been corrected from the prior year.

**FINDING 2014-002:** Financial Statement Finding

Condition: The City's fixed asset listing was not updated during the year under audit [Fiscal Year 2014].

Current Status: This finding is repeated in the current year. Per City officials, the City is currently in the process of obtaining bids for an appraisal, inventory and tagging of the City's fixed assets by an independent company.

**FINDING 2014-003:** US Department of Housing and Urban Development  
Community Development Block Grant (CDBG) Entitlement Cluster  
CFDA Number 14.218 / 14.253

Condition: The City of Paterson did not file their CAPER within the 90 day period. The City has been reminded by HUD of this existing condition in prior years.

Current Status: The June 30, 2015 CAPER was filed on October 6, 2015. The filing was considered timely because of an approved extension. This finding has been corrected from the prior year.

**CITY OF PATERSON**

**SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
AS PREPARED BY MANAGEMENT**

**FOR THE YEAR ENDED JUNE 30, 2015**

**FINDING 2014-004:** US Department of Housing and Urban Development  
Community Development Block Grant (CDBG) Entitlement Cluster  
CFDA Number 14.218 / 14.253

Condition: Audit review noted six instances in which there was no evidence of subrecipient monitoring.

Current Status: The subrecipients monitoring on these exceptions was performed in the subsequent year. This finding has been corrected from the prior year.

**FINDING 2014-005:** US Department of Housing and Urban Development  
HOME Investment Partnership Program  
CFDA Number 14.239

Condition: Audit review noted two instances in which Home-assisted funds were provided to first-time home buyers and no provision for resale was filed on the property.

Current Status: The City filed the requisite deed restrictions on these properties on September 9, 2015. This finding has been corrected from the prior year.

**FINDING 2014-006:** US Department of Housing and Urban Development  
HOME Investment Partnership Program  
CFDA Number 14.239

Condition: The City received a letter dated April 30, 2015 from the Office of Inspector General – United States Department of Housing and Urban Development (OIG HUD), in which there are two findings and 27 recommendations resultant from an audit of the City's HOME Investment Partnership Program. In summary, OIG HUD recommends that "HUD recapture \$844,640 in ineligible committed funds and instruct City officials to reimburse more than \$948,414 spent for ineligible costs, provide documentation to support that \$561,245 was spent on supported costs and activities, remove more than \$2.2 million in ineligible CHDO reserve, provide documentation for more than \$1.1 million in CHDO reserve, and properly record deed restrictions and affordability requirements so that HUD's interest in over \$1.37 million is protected."

**CITY OF PATERSON**  
**SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**  
**AS PREPARED BY MANAGEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**FINDING 2014-006:** (continued)

Current Status: In March, 2016 the City submitted a response to the Inspector General which was not accepted. HUD is currently reviewing an action plan prepared by the City, but no formal resolution has been made. The City has a call planned with HUD on June 10, 2016 with the intent of further clarifying what is expected of the City in regards to these recommendations. As of the audit report date, the amount of the City's liability arising from the OIG HUD audit is not known.

**CITY OF PATERSON**  
**GENERAL COMMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 11-4, ET. SEQ.**

N.J.S.A.40A:11-3 states: “When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent or other employee so designated by the governing body when so authorized by ordinance or resolution, as appropriate to the contracting unit, without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If a purchasing agent has been appointed, the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000 or the threshold amount adjusted by the Governor pursuant to subsection c. of this section. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.” The City has appointed a Qualified Purchasing agent and is subject to a bid threshold of \$36,000.

N.J.S.A. 40A:11-4 states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.” The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the fiscal year. Where questions arise as to whether any contract or agreement might result in a violation of the Statute, the opinion of City Counsel should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S.A. 40A:11-5, “extraordinary unspecifiable services” per N.J.S.A. 40A:11-6.1 and “state contracts” per N.J.S.A. 40A:11-12.



**CITY OF PATERSON**  
**GENERAL COMMENTS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 11-4, ET. SEQ. (Continued)**

The minutes indicate that bids were requested by public advertisement for the following items:

- |  |  |
|--|--|
| - Emergency Maintenance Repair Services for all HVAC Systems                       | - Emergency Sewer Main Repairs and Replacements up to 48"                        |
| - Refurbishing of Windows and Doors at Six (6) Firehouses                          | - Two (2) 2014 or Newer Mack Model GU813 or Equal, with Plows and Salt Spreaders |
| - Landscaping Services at the Larry Doby Field located at Eastside Park            | - Brick Pavers at the Intersection of Spruce Street and McBride Avenue           |
| - Municipal Complex Communication Center Phase-I Installation of Conduit           | - 65 gallon and 35 gallon two-wheel recycled carts with attached lids            |
| - 2015 City Wide Road Resurfacing Program Phase I Wards 5&6                        | - Demolition of Existing Exterior Wall and Construction of New Wall at City Yard |
| - Renovation of the Bathroom at the City of Paterson Danforth (Main) Library       | - Bus Transportation Services for the Recreation Division                        |
| - Combined Sewer Overflow Solids and Floatables Control Facilities for Outfall 029 | - Referee Services for the 2014/2015 Boys Basketball Season                      |
| - Maintenance of the Lou Costello and Riverside Vets Pools                         | - All Black Chain Link Fence around the Lower Level Field at Pennington Park     |
| - Rental of Portable Bathrooms for Various Locations throughout the City           | - 2015 City Wide Road Resurfacing Program Phase I Wards 1&2                      |
| - Replacement of the Sidewalk at the Danforth Library                              | - Umpire Services for the 2015 Boys Baseball Season                              |
| - Construction of a Salt Storage Facility  | - Lumber and Related Supplies  |
| - Auto Body Repairs  | - 2014 State Aid Road Resurfacing Program  |
| - Emergency Snow Removal   | - Clinical Medical Supplies  |
| - 3-MIL and 2-MIL Black Garbage Bags   | - 2013 State Aid Road Resurfacing Program  |
| - Office Supplies  | - 2014 CDBG Road Resurfacing Project   |
| - Three Used Alternate Use Vehicles  | - EMS supplies   |
| - Hardware Supplies  | - Trophies and Plaques   |
| - Wayfinding Signs throughout the Six Wards  |  |

Inasmuch as the system of records did not provide for an accumulation of payments for categories of material and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**CITY OF PATERSON**  
**GENERAL COMMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 11-4, ET. SEQ. (Continued)**

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000, "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

**EXPENDITURE LESS THAN BID THRESHOLD, BUT 15% OR MORE OF THAT AMOUNT PER N.J.S.A. 40A:11-6.1**

N.J.S.A. 40A:11-6.1 states: "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, except for paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting unit shall award the contract after soliciting at least two competitive quotations, if practicable." The City advised us that quotations were, for the most part, solicited for items, the cost of which was \$5,400 or more, within the terms of N.J.S.A. 40A:11-6.1.

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

Statutes provide the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes, or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

"In all cases, interest shall be calculated and charged at the rates of 8% per annum on the first \$1,500 of the delinquency, and 18% per annum on any delinquent amounts in excess of \$1,500, to be calculated from the date upon which the taxes first became due and payable to the date that the payment is actually received."

In all instances tested, the collector's records indicate that interest was collected in accordance with the foregoing resolution.

**CITY OF PATERSON**  
**GENERAL COMMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**DELINQUENT TAXES AND TAX TITLE LIENS**

Balances as shown on yearend tax listing reflect tax prepayments and overpayments as well as unpaid real estate tax amounts. The following summarizes uncollected real estate taxes as of June 30, 2015:

<u>Year</u>	<u>Amount</u>
1999	\$ 38
2000	40
2001	1,113
2004	5
2005	50
2010	151
2011	4,440
2012	6,689
2013	1,824
2014	3,567
2015	216,935
	<u>\$ 234,852</u>

A tax sale was held on June 25, 2015 and was complete except for items in bankruptcy, senior citizen exemption billbacks, and those pending financial record adjustment. All tax sale certificates were available for examination except those in the possession of the City Attorney for the purpose of initiating foreclosure proceedings.

The following comparison is made of the number of Tax Title Liens Receivable at year end of the last five years.

<u>Year Ended June 30,</u>	<u>Number of Liens</u>
2015	953
2014	762
2013	605
2012	337
2011	262

Recourse to all means provided by the statutes should be taken to realize or eliminate tax title liens through collection or foreclosure in order to return such property to a tax paying basis.

**CITY OF PATERSON**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**FINDING 1:** The City does not have a control policy in place requiring periodic verification of the continued eligibility of retirees or surviving spouses and dependent children.

This finding is repeated from the prior year.

Recommendation: Formal control policies and procedures regarding the verification of the continued eligibility of retirees or surviving spouses and dependent children should be instituted.

**FINDING 2:** Of a sample of 25 terminated employees, testing indicated six instances in which terminated employees were not timely removed from the health benefits billing.

This finding is repeated from the prior year. Subsequent to audit field work in this area, the City initiated an audit of health benefits, including terminated employees still receiving health benefits.

Recommendation: The City should institute procedures to make certain terminated employees are removed timely from the City's health benefits.

**FINDING 3:** Of a sample of 60 employees selected for payroll testing, six instances were noted in which overtime earned was paid subsequent to the following pay cycle.

This finding is repeated from the prior year.

Recommendation: The City should strengthen procedures regarding the payment of overtime to make certain employees receive overtime pay in accordance with the timelines set forth in the Fair Labor Standards Act.

**FINDING 4:** P.L. 2004, c.57 requires all government contracting units in the State of New Jersey to obtain Business Registration Certificates for vendors when the value of the individual contract or annual aggregate value with the vendor exceeds 15% of the contracting agency's bid threshold. Audit testing indicates Business Registration Certificates were properly received for vendors awarded bids, however, the City is generally not obtaining and filing Business Registration Certificates before payments are made to vendors exceeding 15% of the bid threshold and/or aggregated in excess of the quote threshold.

This finding is repeated from the prior year.

**CITY OF PATERSON**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**FINDING 4: (continued)**

**Recommendation:** The City should obtain Business Registration Certificates for all vendors paid in excess of 15% of the City's bid threshold.

**FINDING 5:** Testing of W-9s indicated these forms were generally not available for audit review. As a result, audit testing designed to determine whether 1099s have been properly filed could not be properly completed.

This finding is repeated from the prior year. It should be noted, the City has begun the process of requesting W-9 forms from vendors.

**Recommendation:** The City should obtain and retain Form W-9 from all vendors. Further, the City should review these W-9s to assure compliance with Federal guidelines regarding the issuance of 1099s.

**Finding 6:** The City's tax title lien receivable balance increased by 35% from the prior year to \$16,549,116.

**Recommendation:** The City should consider developing a plan to foreclose on tax title liens receivable and return these properties to the tax rolls.

**Finding 7:** Operations of the City for the current year ended resulted in an operating deficit of \$543,897.

**Recommendation:** The City raised \$529,898 of its fiscal year 2015 operating deficit of \$543,897 in the fiscal year 2016 current fund budget. The additional \$13,999, resulting from adjusting entries, should be raised in the succeeding budget

**FINDING 8:** Review of the Municipal Court Monthly Management Report for the month of June, 2014 indicated backlog in ticket and complaint processing. Using 0.4% of the total caseload as an indicator of potential backlog, the threshold utilized to determine backlog was 50 for criminal cases and 410 for traffic cases. Amounts exceeded these thresholds in the following areas: (a) 752 tickets on "Other Case Statuses", (b) 2,638 "Cases on Overpayment Status", (c) 31,504 tickets "Assigned Not Issued" over 180 days, (d) 2,016 tickets "Issued Not Assigned", (e) 437 complaints "Eligible for FTA" over 14 days and (f) 27 parking tickets over three (3) years old which require dismissal.

**CITY OF PATERSON**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**FINDING 8: (continued)**

In addition, (g) the Municipal Court “Indictable Complaints Not Referred to County Prosecutor Report” as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor. There should be no cases listed.

Recommendation: The Municipal Court should rectify the backlog in ticket and complaint processing as follows: (a) The Case Status Report should be reviewed to note those cases that will require court action before the next follow-up step is initiated by the system. Each case should be reviewed regularly by the court to insure processing is continued. (b) The Over/Under Payment Report should be printed monthly and reviewed to insure that all overpayment refund checks are written and processed on a monthly basis. (c) The Tickets Assigned Not Issued Report should be reviewed and all tickets assigned over six (6) months not issued should be recalled. (d) The Tickets Issued Not Assigned Report should be reviewed to insure that all tickets are assigned. (e) The Eligible for FTA Report should be reviewed and FTAs should be promptly generated. (f) The Follow-Up Incomplete Report should be reviewed. As per Rule 7:8-9(f), once the case is over three (3) years old, and follow-up procedures available to the municipal court have not been completed, the ticket must be dismissed. (g) The Municipal Court Indictable Complaints Not Referred to County Prosecutor Report as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor.

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**Other Findings**

We noted certain other matters that we reported in the accompanying schedule of findings and questioned costs section of this report found on page 225. Such matters are required to be reported under *Government Auditing Standards*, U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*

**CITY OF PATERSON**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Status of Prior Years' Audit Recommendations**

In accordance with Government Auditing Standards, a review was performed on all prior year's recommendations. With the exception of those findings noted as being repeated from the prior year, corrective action was taken on all prior year recommendations.

**Corrective Action**

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the governing body and submitted within 60 days from the date the audit is received.

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